To: Financial Aid Administrators, Business Officers, Lenders, Guaranty Agencies, Third-party Servicers, and Software Venders

From Greg Woods, Chief Operating Officer, Office of Student Financial Assistance

Subject: Invitation to Comment on Year 2000 Preliminary Contingency Plans

The Department of Education made the Year 2000 (Y2K) readiness of its data systems a top management priority. I am happy to report that, as of March 8, 1999, all of the Department's 175 data systems have been fully renovated, tested, and implemented. In addition, data exchange testing with our student financial aid partners is well under way. I encourage you to take advantage of this opportunity to test your data exchanges with us. You will find details about testing and a schedule on ED's Web site (www.ed.gov).

As a last measure of insurance, the Office of Student Financial Assistance (OSFA) completed preliminary contingency plans for our mission critical business processes. The "Business Continuity and Contingency Planning for Year 2000" that contains our preliminary contingency plans is attached for you review.

In addition to this posting, OSFA is conducting several focus groups of student financial aid community partners to obtain feedback on these preliminary plans. We are also presenting these preliminary plans at several state and regional association conferences.

Would you please review these preliminary contingency plans that are presented in the attached document. Send your comments and suggestions to the OSFA Y2K contingency planning staff by e-mail (sfay2k@ed.gov). You may also contact us directly: Mary Haldane, Director, OSFA Y2K Contingency Planning, Room 3060, ROB-3, U.S. Department of Education, 7th and D Streets, S.W., Washington, D.C. 20202.

We recognize that the delivery of financial aid funds and services are dependent on you, our financial aid community partners, and the process for developing contingency plans must be collaborative with you. We look forward to continuing our collaborations with you as we finalize and test our contingency plans.

U.S. Department of Education
Office of Student Financial Assistance Programs

Business Continuity and Contingency Planning for Year 2000

March 29, 1999
Preliminary Report

Business Continuity and Contingency Planning for Year 2000

Table of Contents

TAB 8 – SFA Detailed Risk Mitigation and Contingency Plans – V

TAB 9 – SFA Detailed Risk Mitigation and Contingency Plans – VI

TAB 10 – SFA Detailed Risk Mitigation and Contingency Plans - VIII

Introduction

Over the last year, the Department of Education (ED) and the Office of Student Financial Assistance (OSFA) have made the renovation of data systems to address Year 2000 (Y2K) computer bug problems a top management priority. All "mission critical" ED systems that support the OSFA student aid programs have been fully renovated, validated, and implemented, and end-to-end testing with our data exchange partners is planned for April 12, 1999, through September 20, 1999. The Department is confident that there will be a relatively low risk of serious date-related problems as we move into the year 2000.

Nonetheless, several basic facts compelled the Department to establish a strong Student Financial Assistance Business Continuity and Contingency Planning (BCCP) effort. First, student aid delivery and administration have become increasingly computer-dependent. Second, ED's data systems and programs are highly complex and reliant on the use of dates. Third, our systems and processes are highly dependent on data exchanges with business partners (other federal agencies, postsecondary institutions, banks, state agencies, and guaranty agencies) whose Y2K renovation efforts are beyond our control.

Fourth, a great deal is at stake. In fiscal year 2000 nearly nine million students will apply for and receive student financial aid, authorized under title IV of the Higher Education Act, totaling over $50 billion. Any disruption in the delivery of aid or any damage to the integrity of student aid data records could seriously harm the nation's postsecondary students and educational institutions as well as the interests of taxpayers.

Last but not least, several committees of Congress, the General Accounting Office, the Office of Management and Budget, and our partners in the postsecondary community all appropriately expect that we take year Y2K contingency planning very seriously.

This document is a report to our student aid business partners and to interested oversight groups concerning the "findings" to date of our Student Financial Assistance BCCP project. These findings include the identification of: eight core business processes and numerous key sub-processes, normal and emergency levels of performance, potential failure scenarios, and a variety of risk mitigation strategies and contingency plans addressing potential failures.

It should be clearly understood that all references herein to Department contingency plans and risk mitigation strategies are **preliminary**. We are continuing to develop the detailed risk mitigation and contingency plans. The final detailed plans will be submitted by June 30, 1999.

Before proceeding, we should also make it clear that student financial assistance contingency planning is an inherently and necessarily collaborative activity and one that requires a high degree of cooperation, communication, and mutual understanding among business partners. We have conducted an aggressive outreach and awareness program with our business partners:

       *Conducted eight focus groups across the country.

       *Presented at over 40 student financial aid professional conferences.

       *Presented at four Department of Education conferences.

       *Held a teleconference hosted by Sec. Riley and John Koskinin, Chair, President's Council on Y2K.

       *Posted two solicitations for community comments on ED's Web site

       *Developed a Y2K Readiness Kit as a reference tool for the community.

This outreach and awareness effort will continue through the remainder of the year. We will also continue to solicit feedback from our business partners through conference presentations and Web site postings. Our plans will be revised as a result of our business partners' comments.

Finally, we must emphasize that, from the perspectives of postsecondary institutions and other OSFA business partners, there are two essential means of mitigating the risk of Y2K data system problems. Both are entirely outside the control and responsibility of the Department of Education. First, an institution's own data systems must be thoroughly assessed, renovated, and tested for Y2K compliance. Second, an institution should establish its own thorough business continuity and contingency planning process.

Project Structure -- Using GAO Guidelines

In developing its BCCP, the OSFA is following guidelines established by the General Accounting Office in it publication entitled *Year 2000 Computing Crisis: Business Continuity and Contingency Planning.*[1] This guide provides a logical and structured approach for developing and implementing plans continuing for business operations in the event of Y2K system failures. Business continuity in a Y2K crisis entails using different means of performing core business functions in a Y2K emergency. Such "contingency plans" may utilize manual or partially automated procedures. Planning for business continuity may also utilize "risk mitigation" strategies such as doing things earlier than normal or reverting to emergency (slower than normal) performance levels.

The GAO guide, that has been recommended for use by all federal agencies, divides the planning process into four phases:

- Initiation,
- Business Impact Analysis,
- Contingency Planning, and
- Testing.

Initiation

The objectives for this phase were to organize a project team, create a high-level project plan, raise awareness of the importance of the project at all levels of the organization, and secure commitments from senior management for the resources necessary to get the job done.

The Initiation Phase was completed in September 1998. In this phase, the OSFA:

(1) **Established a Y2K Contingency Planning Core Team.**

The Core Team is headed by the Year 2000 Student Aid Contingency Planning Director and includes two other ED professionals with broad knowledge of student financial aid programs. For the duration of the project, the Core Team's only responsibilities will be related to Y2K contingency planning.

(2) **Identified Eight Core Business Processes.**

A core business process is a related set of activities directed toward a single goal that is fundamental to the mission of the organization. A core process may or may not be managed by a single division of the organization. In fact, most of the core processes identified for this project cross divisional lines. OSFA officials identified eight core business processes and their goals as follows:

---

[1] General Accounting Office: Accounting and Information Management Division; August 1998.

- **Student Aid Application and Eligibility Determination**

    Business Process Goals:

    The goal of the process is to enable students to apply for federal and other types of financial aid. The goal is also to determine eligibility and calculate the expected family contribution (EFC) and to report the results to the applicant and, as authorized by the applicant, schools, and others. These goals need to be accomplished in a timely manner to ensure student access and choice to postsecondary education.

- **Student Aid Origination and Disbursement**

    Business Process Goals:

    The goal of this process is to perform all of the activities necessary to support aid origination and to provide, in a timely manner, title IV program funds to students, their parents, and eligible borrowers that qualify for those funds to help pay for their educational expenses.

- **Student Enrollment Tracking and Reporting**

    Business Process Goals:

    The goal of this process is to help ensure that loans enter repayment on time, that interest benefits on subsidized loans are paid correctly, and that lenders and servicers have the information they need to process deferments.

- **Guarantor and Lender Payments**

    Business Process Goals:

    The goal of this process is to make accurate and timely payments to guarantors and lenders as required by law. ED must also obtain and maintain appropriate data and records in support of these payments.

- **Repayment and Collection**

    Business Process Goals:

    The goal of this business process is to facilitate on-time student loan repayment, to minimize the incidence of default, and to facilitate the collection of defaulted student loans and other obligations (e.g. overpayments of grant aid).

- **Institutional Eligibility and Monitoring**

    Business Process Goals:

The goal of this process is to ensure that participating schools have the authority to operate in the state, are accredited, and administer the programs properly. ED monitors the conduct of schools participating in the program by reviewing application data, audited financial statements, compliance audits, and by conducting program reviews.

- **Customer Service and Communication**

  Business Process Goals:

  The goal of this process is for OSFA customers and partners to receive timely and adequate information to enable them to participate in the application and disbursement processes for federal student aid. In addition, participating schools must have access to ED's electronic systems for sharing application data and payment information.

- **FFELP Origination, Disbursement, Repayment, and Collection**

  Business Process Goals:

  The goal of this process is to ensure that student and parent borrowers have continued access to Federal Family Education Loan Program (FFELP) loans. ED is also interested in ensuring that FFELP loan servicing, including the ability of borrowers to make payments as scheduled, is not interrupted. In order to protect taxpayer and borrower interests, it is also critical that guarantor functions, including maintenance of borrower records and collection efforts on defaulted borrower accounts, are not interrupted.

(3) **Identified Project Teams; Named Team Leaders for All Core Business Processes; and Defined Roles and Responsibilities.**

OSFA officials assembled teams of experienced ED staff to examine each core process. The teams include members not only from the functional areas that manage each core process, but also from policy, financial, systems, and legal support areas (OSFAP Policy, the Office of the General Counsel, the Office of the Inspector General, and the Office of the Chief Financial Officer / Chief Information Officer). All teams are chaired by Team Leaders who are senior managers within the OSFA. They have ultimate responsibility for developing the teams' contingency plans.

(4) **Hired a Management Consultant Contractor**.

KPMG, a firm with experience in business continuity planning and in support of OSFA system improvements, was hired to facilitate team meetings, develop documents, and provide substantive analysis and management advice on student aid contingency planning.

(5) **Developed a High-Level Project Plan.**

OSFA developed a project plan that identified responsibilities of the team leaders and their teams, as well as target dates for meetings, presentations, deliverables, and milestones for the completion of project phases.

(6) **Assess Existing Business Continuity, Contingency, and Disaster Recovery Plans.**

We reviewed existing plans and incorporated where applicable. Current disaster recovery plans are being reviewed. However, all systems' disaster recovery plans will be new or revised prior to January 1, 2000, as each system migrates to CSC.

Business Impact Analysis

The primary objectives of this phase were to analyze current business processes and data system dependencies, to identify potential sources of system failures, and to assess the impact of such failures.

The phase ran from early October through December 1998. In this phase, OSFA teams:

(1) **Defined Current Processes and Dependencies.**

Each project team compiled information on current processes and sub-processes to document process workflows, staffing levels, system dependencies, and performance statistics. They also defined, for each core process and critical sub-process, current or "normal" standards of performance and minimum levels of service, also known as "emergency performance levels" which would be acceptable in a Y2K emergency.

(2) **Identified Potential Failure Scenarios.**

Each team described possible sources of system failure that would affect their core process and critical sub-processes, and, for each potential failure, the earliest date it could occur.

(3) **Analyzed the Risks of Potential System Failure.**

Each team further analyzed its core processes and sub-processes to describe in detail the business results of system failures and their impacts on current levels of service. The project teams established a Priority Rating for each failure risk. The Priority Rating has two components. The business impact of each risk is an assessment of how each risk event or condition would degrade current service levels. The risk rating is an assessment of the probability of the risk occurring. ED used the risk ratings provided by the Office of the Inspector General (OIG). The component ratings were combined to produce a Priority Rating of high, medium, or low. The Priority Rating will be used for allocating resources for the development, testing, and implementation of contingency plans. (Note: Materials documenting this stage will be contained in an appendix to the BCCP's final report.)

(4) **Developed Contingency Planning Matrices.**

Each project team developed a matrix that records, for each risk in each sub-process, the:

- failure source,
- threat/failure scenario,
- impact/end result,
- earliest failure date,
- business priority rating,
- high level risk mitigation options, and
- high-level contingency options.

The matrix enables the project teams and Core Team to better grasp the interrelation of processes and their risks, and the opportunities for common solutions to multiple risks. (Note: Materials documenting this stage will be contained in an appendix to the BCCP's final report.)

Contingency Planning

The objectives for this phase are to define and document mitigation and contingency options, identify necessary regulatory and legislative waivers, estimate the cost of each options, and establish a business resumption team for each core process.

OSFA has divided this phase into two sub-phases. High-Level Contingency Planning occurred in December 1998 and January 1999. Detailed Contingency Planning will begin February 1999 and is expected to end in June, 1999.

In the first sub-phase – High-Level Contingency Planning – OSFAP teams:

(1) **Identified Risk Mitigation and Contingency Options.**

There is a distinction between mitigation and contingency options. A mitigation option is a pre-emptive action that is intended to eliminate, reduce, or delay a risk. A contingency option is a reaction to a failure that has occurred and is designed to eliminate or reduce its impact. In this sub-phase, the project teams developed possible high level mitigation and contingency options.

(2) **Developed High-Level Contingency Plans.**

The teams documented their proposed solutions in their Contingency Planning Matrices and drafted high-level narratives of proposed actions.

(3) **Conducted Focus Groups and Outreach Efforts.**

The OSFA held focus groups and published a preliminary report on the ED Web site in order to obtain comments and advice from business partners and the public concerning the business process analysis and the preliminary risk mitigation and contingency options that were identified.

In the second sub-phase – Detailed Contingency Planning – OSFA teams:

(4) **Will Develop Detailed Contingency Plans.**

Following the focus groups and web solicitation of comments, a Detailed Contingency Plan will be developed. A cost benefit analysis will be performed and used in selecting the best risk mitigation or contingency plan options. This document will describe:

- Detailed mitigating and contingency options including regulatory and legislative waivers,
- Specific implementation tasks,
- Cost estimates,
- Staffing requirements (including skills assessments),
- Resumption team members responsibilities,
- Zero-day strategy
- Triggering events,
- Notification procedures, and
- Test plans for all mitigation and contingency plans.

(5) **Will Identify "Business Process Owners" and Business Resumption Teams.**

"Business process owners" will be identified. They will be responsible for implementing risk mitigation and contingency plans. Also, "business process resumption teams" (composed of "process owners", contingency planning teams, and data system personnel) will be identified. Close coordination among these individuals will be essential.

Testing

Under this phase, OSFA will validate contingency plans through testing and additional communication with student aid community partners and will rehearse business resumption teams.

The timeframes for this phase will be established when Detailed Contingency Plans are completed and will vary by sub-process.

In the *Testing* phase, OSFA will:

- Prepare for and execute test plans,

Each business process resumption team will test the plans developed in the Detailed Contingency Planning sub-phase. In cases where a full-scale test may be too costly, the team may consider end-to-end testing of key plan components.

- Revise contingency plans on the basis of testing and consultation with community partners, and

- Monitor, review, and report test results.

I. Student Aid Application and Eligibility			
Threat/Failure Scenario	**Earliest Failure Date**		**Contingency Plan**
I.a. MDE cannot provide data from paper FAFSA's to the CPS.	Jan 3,2000 for FY2000 and Jan 15, 2000 for FY2001	I.a.1. ED will encourage students (and schools to encourage their students) to apply for aid using electronic application methods (FAFSA Express, FAFSA on the Web, and EDExpress). ED will ensure these methods, taken as a whole, have the capacity to process any increase in applications.	**I.a.3. ED will expand the Alternate Data Entry (ADE) processing capacity for 30 days.**
I.b. The CPS cannot perform the eligibility matches with other agencies to determine whether the applicant is eligible for Title IV aid.	Jan 3,2000 for FY2000 and Jan 15, 2000 for FY2001	I.a.2. ED will encourage students (and schools to encourage their students) to submit FAFSAs for the 1999-2000 award year prior to Jan 1, 2000. **I.b.1. ED will encourage students (and schools to encourage their students) to submit FAFSAs for the 1999-2000 award year prior to Jan 1, 2000.**	I.b.2. ED will forego the data match(s) and continue to process the FAFSA and send ISIRs and SARs. When the system is repaired, ED will perform the data match(s) and resend the ISIRs and SARs. No detailed contingency plan is required as this is standard operating practice.
I.c. The CPS cannot calculate an EFC or cannot calculate a correct EFC.	Jan 3,2000 for FY2000 and Jan 15, 2000 for FY2001	1999-2000 AWARD YEAR: I.c.1. ED will encourage students (and schools to encourage their students) to submit FAFSAs for the 1999-2000 award year prior to Jan 1, 2000. Note: Detailed plans for the mitigation strategies under this business process are not included at this time.	

I. Student Aid Application and Eligibility			
Threat/Failure Scenario	**Earliest Failure Date**		**Contingency Plan**
			I.c.2. ED will run the CPS with the clock set prior to Year 2000. The following will be implemented in the event I.c.2. is not available or working: **1999-2000 AWARD YEAR:** I.c.3. ED will encourage students (and their students) to apply for aid using FAFSA on the Web. The student can print an output document with an EFC, and the school can use that EFC to make awards and disburse funds. HEA waiver will be required. (Detailed plans for this strategy are not included at this time.) I.c.4. ED will develop and include an EFC

I. Student Aid Application and Eligibility			
Threat/Fail ure Scenario	**Earliest Failure Date**		**Contingency Plan**
			calculator on FAFSA Express. These EFC calculations can be used to make awards and disburse funds. HEA waiver will be required.
			(Detailed plans for this strategy are not included at this time.)
			I.c.5. ED will allow schools to use students' prior year EFC to make awards and disburse funds. HEA waiver will be required.
			I.c.6. ED will allow schools to use their own software to calculate EFCs and make awards and disburse funds. HEA waiver will be required. (Detailed plans for this strategy are not included at this time.)
			2000-2001 AWARD YEAR: I.c.7. ED will

I. Student Aid Application and Eligibility			
Threat/Failure Scenario	**Earliest Failure Date**		**Contingency Plan**
			encourage students (and schools to encourage their students) to apply for aid using FAFSA on the Web. The student can print an output document, and the school can use this EFC to package aid, but not disburse funds. (Detailed plans for this strategy are not included at this time.) **I.c.8. ED will develop and include an EFC calculator on FAFSA Express. These EFC calculations can be used to package aid, but not disburse funds.** **I.c.9. ED will allow schools to use students' prior year EFCs to package aid, but not disburse funds. (Detailed plans for this**

I. Student Aid Application and Eligibility			
Threat/Failure Scenario	**Earliest Failure Date**		**Contingency Plan**
			strategy are not included at this time.) **I.c.10. ED will allow schools to use their own software to calculate EFCs and package aid, but not disburse funds. (Detailed plans for this strategy are not included at this time.)**

II. Student Aid Origination and Disbursement			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
II.a. RFMS cannot adjust a school's Pell Grant authorization level because it cannot receive or process the school's origination and/or disbursement records, or the school cannot create or transmit those records.	Jan 3,2000 Jan 3,2000		II.a.1. ED will increase a school's authorization level manually or systematically, depending on the number of school failures. ED will notify schools that it will not enforce the reporting requirements under §690.82 during the contingency period.
II.b. The DLOC cannot initiate a request for funds for Standard or Option 1 Direct Loan schools because it cannot receive or process the school's origination records, or the school cannot create and transmit those records.	Jan 3,2000		II.b.1. ED will draw down funds for Standard and Option 1 schools based on historical funding data.
II.c. The Campus-based system cannot calculate allocations for the 2000-20001 award year. II.d. GAPS cannot provide funds requested by a school.	Jan 3,2000	II.d.1. ED will allow schools (or the DLOC for a Standard or Option 1 school) to draw down program funds in December 1999 that would normally be disbursed in January 2000. Schools may apply those funds (Pell, Direct Loan, SEOG, Work-study, and Perkins) to students' accounts, but not disburse funds directly to students	II.c.1. ED will calculate the allocations in December 1999. In the event of a failure, these allocation levels will be used as the final awards.

II. Student Aid Origination and Disbursement			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
II.e. The DLOC cannot request or receive credit reports for PLUS borrowers. II.f. The DLOC cannot perform normal processing of loan consolidation applications. II.g. The DLOC does not receive completed certificates from loan holders which provide the pay-off balances and other data that is needed	Jan 3,2000 Jan 3,2000 Jan 3,2000	or parents. ED will allow schools to disburse FFELP funds in December 1999 that would normally be disbursed in January 2000 and apply those funds to students' accounts, but not disburse those funds directly to students or parents. ED will not enforce several cash management regulations. II.f.1. ED will encourage borrowers to apply using an electronic application or submit paper applications before January1, 2000. (Detailed plans for this strategy are not included at this time.)	II.e.1. ED will process PLUS loan applications without obtaining credit reports. II.f.2. ED will process loan consolidation applications manually. II.g.1. ED will obtain loan balance data from NSLDS and DLSS and rely on that data to consolidate a borrower's loans.

II. Student Aid Origination and Disbursement			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
to process a consolidation loan.			

	III. Student Enrollment Tracking and Reporting Process		
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Pla**
III.a. An enrollment reporting partner (school, guaranty agency, lender, servicer, or NSLDS) cannot receive, process, or report loan borrower enrollment status information.	Jan 31, 2000	III.a.1. ED will send schools an enrollment information report (SSCR) in Nov. 1999 for completion between Nov. 1 and Dec. 15 to ensure that the most recent information is captured prior to any Y2K failure.	**III.a.2. NSLDS v 1999 SSCR if NS January 31, 200(report after Janu** III.a.3. ED will al the DLSS to place based on the most regarding a borro will allow lenders borrower's writter her current enroll

IV. FFEL Lender and Guaranty Agency Payment Process			
Threat/Failure Scenario	Earliest Failure Date	Risk Mitigation Plan	Contingency Plan
IV.a. ED's FFEL system cannot process payment requests from lenders (Forms 799s).	Jan 3,2000 Jan 3,2000	IV.a.1. ED will encourage lenders to submit the latest 799s by Dec 10, 1999.	**IV.a.2. ED will process 799s manually and make payments to the top 100 lenders within 30 days and the remaining lenders in 60 days.**
IV.b. ED's FFEL system cannot process payment requests from guaranty agencies (Forms 1189, 1130).	Jan 3,2000	IV.b.1. ED will encourage guaranty agencies to submit by Dec 1, 1999, the Sept 1999 quarter 1130s and the 1189 monthly reports through October 1999.	**IV.b.2. ED will process the 1189/1130s manually. In some cases, ED may allow the guaranty agency to transfer the payment amount from the Federal Fund to its operating account based, in part, on whether the agency needs the funds to continue operations.**
IV.c. Guaranty agencies cannot submit payment requests.			**IV.c.1. ED may pay guaranty agencies based on historical data. ED's determination would be made on a case-by-case basis, depending in part on whether the guaranty agency needs the funds to continue operations or whether the agency is likely to continue participating in the FFEL program.**

IV. FFEL Lender and Guaranty Agency Payments Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
IV.d. Guaranty agencies cannot pay loan default claims to lenders.	Jan 3,2000	IV.d.1. ED will encourage guaranty agencies to request that lenders set their claim-filing thresholds to the earlier dates to allow as many claims as possible to be reviewed and paid before Jan 1, 2000. Note: Detailed plans for the mitigation strategies under this business process are not included at this time.	**IV.d.2. ED will encourage guaranty agencies to manually review default claims and pay lenders based upon the manual review process.** (Detailed plans for this strategy are not included at this time.)

V. Repayment and Collection Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
V.a. The DLSS or DCS cannot produce or send bills to borrowers.	Jan 3,2000		V.a.1. ED will bill borrowers based on December 1999 loan information. No actions will be taken that may adversely affect borrowers. DCS may assign some loans to collection agencies.
V.b. DLSS and DCS cannot process payments.	Jan 3,2000		V.b.1. ED will accumulate payment data from the lockbox and enter that data after systems are restored. No actions will be taken that may adversely affect borrowers.
V.c. DLSS and DCS cannot maintain accounts.	Jan 3,2000		V.c.1. ED will manually log (using PC-based systems) new data by borrower account number and enter data after systems are restored.
V.d. DLSS cannot book new loans or DCS cannot accept loan accounts.	Jan 3,2000		V.d.1. DLSS will accumulate data needed to book loans from school disbursement records and the loan consolidation contractor and enter that data after systems are restored. No actions will be taken that may adversely affect borrowers. DCS will not accept new loan accounts until systems are restored (loans that would otherwise be referred to DCS will continue to be serviced by the loan holders).

VI. Institutional Eligibility and Monitoring Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
VI. a. ED cannot process re-certification, change of ownership or new school applications.	Jan 3,2000		VI.a.1. ED will process re-certifications and other applications manually.

VII. Customer Service and Communication Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Pla**
VII.a. One or more of several methods that ED normally uses to communicate with or provide information to students, schools, and other participants is not available because of a system or infrastructure failure.	Jan 1,2000		VII.a.1. ED will u communication m information in the possible.
VII.b. ED's participant management functions cannot be performed correctly either because of a TIVWAN or school system failure.	Jan 1,2000	VII. b.1. ED will encourage TIVWAN users to test their systems with ED during the summer of 1999 and complete as much processing as possible before January 1, 2000. Note: Detailed plans for the mitigation and contingency strategies under this business process are not included at this time.	VII.b.2. ED will a services to school on the list of eligi December 1999. manual procedure schools or to rem

VIII. FFEL Origination, Disbursement, Repayment, and Collection Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
VIII.a. Schools are unable to certify loan applications.	Jan 1,2000	**VIII.a.1. ED will encourage a school to determine whether its or its third party servicer system is Y2K compliant. If the system is not compliant, ED will encourage the school to use an alternative software product that is compliant. (Detailed plans for this strategy are not included at this time.)**	**VIII.a.2. ED will encourage schools to use an alternative software product or third party servicer that is Y2K compliant.** VIII.a.3. ED will encourage schools to consider processing and certifying loan applications manually. VIII.a.4. ED will encourage schools to provide short-term institutional loan funds or to defer tuition bill payment.
VIII.b. Lenders and guaranty agencies are unable to approve loan applications.	Jan 1,2000		**VIII.b.2. ED will encourage guaranty agencies to utilize blanket guarantees.** VIII.b.3. ED will encourage guaranty agencies to direct loan applications to other agencies that are Y2K compliant.
VIII.c. Lenders cannot disburse funds to schools.	Jan 1,2000	**VIII.b.1. ED will encourage schools to add Y2K compliant lenders to their "preferred lender lists" if the schools have such lists. (Detailed plans for this strategy are not included at this time.)**	VIII.b.4. ED will encourage schools to encourage their borrowers to utilize other lenders that are Y2K compliant. VIII.b.5. ED will encourage schools to provide short-term institutional loan funds or to defer tuition bill payment. **If a school does not schedule early disbursements for borrowers:** VIII.c.3. ED will encourage schools to encourage their

VIII. FFEL Origination, Disbursement, Repayment, and Collection Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
VIII.d. Schools cannot disburse funds to borrowers. VIII.e. Lenders servicing systems fail to support one or more critical servicing functions. VIII.f. Guaranty agencies servicing systems fail to support one or more critical collection and recovery functions.	Jan 1,2000 Jan 3,2000 Jan 3,2000	VIII. c.1. ED will allow schools to schedule disbursements in December 1999, that would normally be scheduled in January 2000. See II.d. **VIII.c.2. ED will encourage schools to add Y2K compliant lenders to their "preferred lender lists" if the schools have such lists.** **(Detailed plans for this strategy are not included at this time.)** VIII.d.1. ED will allow schools to schedule disbursements in December 1999 that would normally be scheduled in January 2000. See II.d.	borrowers to utilize other lenders that are Y2K compliant. VIII.c.4. ED will encourage schools to provide short-term institutional loan funds or to defer tuition bill payment. VII.c.5. ED will encourage lenders who use disbursement servicers that experience Y2K failures to direct their business to another Y2K compliant servicers. (Detailed plans for these strategies are not included at this time.) VIII.d.2. ED will encourage schools to provide short-term institutional loan funds or to defer tuition bill payment. (Detailed plans for this strategy are not included at this time.) **VIII.e.2. ED may choose not to impose a liability on a lender for a failure on the lender's part to carry out a required loan servicing activity.** VIII.f.2. ED may take one or more of the actions noted as

VIII. FFEL Origination, Disbursement, Repayment, and Collection Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
		VIII.e.1. ED will encourage lenders to retain and archive borrowers' Dec 31, 1999, servicing and payment histories to allow continued servicing with the most recent information. . (Detailed plans for this strategy are not included at this time.) **VIII.f.1. ED is evaluating the Y2K status of guaranty agencies. ED may initiate one of these options in the spring or summer of 1999 : *Transfer loan guarantee portfolios or some responsibilities to another guaranty agency; *Require assignment of defaulted accounts to ED; *Increase third-party collection agency placements; *Require**	options in VIII.f.1. after January 1, 2000, if there is a guaranty agency failure.

VIII. FFEL Origination, Disbursement, Repayment, and Collection Process			
Threat/Failure Scenario	**Earliest Failure Date**	**Risk Mitigation Plan**	**Contingency Plan**
		alternate servicing system software; and/or *Require guaranty agencies to retain and archive borrowers' accounts Dec 31, 1999, servicing and payment histories to allow continued servicing with the most recent information. See VIII.f.2.	

PRELIMINARY-DRAFT

ED will expand Alternate Data Entry (ADE) Processing Capacity
(I.a.3)

Failure Title: The Multiple Data Entry (MDE) system cannot enter paper FAFSAs
Contingency Title: ED will expand ADE processing capacity

Contingency Description: National Computer Systems (NCS) will activate and increase the capacity of the ADE to data enter paper FAFSAs.

1 **Business Owner:**

Director
Application and Pell Processing System (APPS) Division
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4636
Washington, DC 20202

2 **Prerequisites:**

The activities listed below are actions required to prepare for the implementation of this contingency plan.

1. ED informs NCS to activate the 1999-2000 release of the ADE to perform entry of FAFSAs, and specifies a volume driven option from the ADE Implementation plan for Option year 3 of the CPS contract (e.g. NCS will expand the processing capacity of the ADE to handle all paper FAFSA volume for a limited time).
2. ED will review the response to the RFP to obtain cost and scope of work estimates.
3. ED will write the Task Order to modify the system to increase ADE capacity to handle all paper FAFSA processes for a limited time. ED will obtain the funding authorization for the costs of the system modification.
4. ED awards to the Task Order to NCS.
5. NCS begins work under the Task Order with a completion date scheduled to be on or before April 30, 1999.
6. NCS modifies and tests the system according to the Task Order specifications and the timelines established by ED.
7. NCS prepares the documentation and network messages to be sent to the Student Financial Assistance (SFA) community.
8. ED APPS Division approves documentation and network messages.

3 **o-Day Strategy:**

A zero-day strategy is not applicable to MDE contingency plan.

4 Trigger Criteria:

MDE cannot provide data from paper 1999-2000 FAFSAs on January 3, 2000. MDE cannot provide data from paper 2000-2001 FAFSAs on January 17, 2000

System Monitoring:

CPS Operations Manager and the production control staff will monitor the systems activities.

NCS mainframe development staff will monitor the system and communicate with the MDE on an ongoing basis. The monitoring entails review of transmitted test data, if any, and conversations with ED and MDE personnel.

5 Response Procedure:

The following is a list of procedures to follow to notify ED of system failure.

1. The MDE Operations Manager will notify the MDE program manager and the MDE COTR.
2. MDE COTR will notify the APPS division director (Jeanne Saunders), and Systems Manager.
3. The MDE Program Manager will validate the system repair plan with the ED MDE COTR and Systems Manager.
4. The COTR will request authorization to implement the system repair from Director, Application and Pell Processing System (APPS) Division.
5. The MDE Program Manager will advise the MDE Operations Manager.

Event Monitoring:

The following is a list of activities that will be performed by the MDE Program Manager, the MDE Operations Manager and the QA/QC staff, to monitor the progress of the system repair.

1. The MDE Operations Manager, MDE Program Manager, QA/QC staff and testing staff will review system output daily.
2. The Operations Manager, Program Manager, and QA/QC staff will
     confer with Systems Manager for progress updates daily.
3. The Operations Manager, Program Manager, and QA/QC staff will review the system modification, as appropriate, on a daily basis.

Failure Tolerance Threshold:

The Failure Tolerance Threshold for this process is January 24, 2000, for the 1999-2000 award year and January 24, 2000, for the 2000-2001 award year.

Implementation Timeframe:

Once the failure has been determined, the contingency plan can be activated immediately. The ADE implementation plan calls for the ADE to be fully staffed within three weeks and operating at full capacity within six weeks.

The ADE implementation time frames and scenarios have been defined in the ADE Implementation Plan.

Go No-Go Decision Point:

If MDE cannot provide data from paper 1999-2000 FAFSAs on January 3, 2000, the decision to implement the plan will be made on January 3, 2000. The contingency plan will be implemented by January 24, 2000. If MDE cannot provide data from paper 2000-2001 FAFSAs on January 17, 2000, the contingency plan will be implemented on January 24, 2000. The decision to implement the plan will be made by January 17, 2000.

Notification Procedures:

Once the failure has been determined, Education will perform the following actions to communicate the failure to the SFA community.

1. Director, Application and Pell Processing System (APPS) Division will that the contingency plan is being implemented.

2. Systems Manager will provide Chief, Program Information Branch with approved materials from NCS regarding the contingency plan implementation.

3. Chief, Program Information Branch will use the information provided by NCS to communicate the failure and contingency plan to the SFA community.

Business Resumption Team

1 Business Resumption Team

Director,

Application and Pell Processing System (APPS) Division

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4636

Washington, DC 20202

Systems Manager

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4621

Washington, DC 20202

Computer Specialist
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5008
Washington, DC 20202

Director, Program Systems Service

U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4640
Washington, DC 20202

MDE COTR
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4635
Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 3030
Washington, DC 20202

CPS COTR
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4635
Washington, DC 20202

MDE Program Manager, ACT
American College Testing
2100 ACT Circle
Iowa City, Iowa 52243-0168

American College Testing
2100 ACT Circle
Iowa City, Iowa 52243-0168

CPS Program Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Software Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CPS Operations Manager
National Computer Systems

2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Product Manager, CPS Web Products
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

ADE Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CSC Data Center Manager
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

Operations Manager, CSC
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

2 | Roles and Responsibilities:

***Director, Application and Pell Processing System (APPS) Division , Business Owner Department of Education,* manages the overall activities associated with implementing the contingency plan and has the authority to commit Education resources and also has the following responsibilities:**

- Determine that a system failure has occurred.
- Authorize the initiation of the contingency plan implementation.
- Authorize the implementation of the system repair.

***Director, Program Systems Service, Department of Education,* manages the overall activities associated with the operation of all Title IV Financial Aid Systems.**

Systems Manager, Department of Education, monitors the implementation of the contingency plan and the system repair and also has the following responsibilities:

- Notify CSC (Meriden, CT) of the system failure.
- Monitor the contingency plan implementation.
- Monitor the progress of the system repair.
- Advise Director, APPS Division of the progress of the system repair.
- Provide Chief, Program Information Branch the materials prepared by NCS to communicate to the SFA community.
- Direct the Public Inquiry Contract (PIC) regarding inquires on the implementation of the contingency plan.

Computer Specialist, Technical Liaison, Department of Education serves as the technical liaison to the other Title IV systems located in the Student Financial Aid Data, as well as ED and CSC contract personnel.

MDE COTR, Department of Education, is responsible for notifying ED's Customer Service Manager (Chief, Program Information Branch and PIC) of the system failure and the implementation of the contingency plan and also has the following responsibilities:

- Monitor the progress of the system repair.
- Monitor the implementation of the contingency plan.
- Provide Chief, Program Information Branch the materials prepared by NCS to communicate to the SFA community.

CPS COTR, Department of Education, is responsible for coordinating contractual issues regarding the implementation of the contingency plan*.*

MDE Program Manager, ACT, is responsible for notifying Ms. Saunders of the system failure and also has the responsibility of coordinating the system repair activities of ACT.

MDE Operations Manager, ACT, is responsible for production control and system operations during the system repair and also responsible for conducting quality control activities for of the first live production after system repair.

ADE Project Manager, NCS, **is responsible for the implementation and operation of the ADE. Her responsibilities are documented in the ADE Implementation Plan and include:**

- Maintain, monitor, and implement the project schedule
- Monitor ADE system development
- Design and develop processing and archival procedures
- Design and develop a data entry/data verify plan
- Prepare, monitor, and implement a facility/facilities plan
- Prepare, monitor, and implement an equipment/materials plan
- Prepare, monitor, and implement a staffing plan
- Analyze and procure data entry subcontractors
- Prepare project start-up and shut-down plans.
- Coordinate and monitor multiple sites' operations

Quality Engineer, **NCS is responsible for approving the quality assurance portion of the contingency plan and is also responsible for insuring the planned quality assurance activities take place and are appropriately documented.**

Software Project Manager, NCS, **is responsible for directing the activities of the team responsible for writing program code and testing for implementation of the contingency and the repair of the system failure.**

CPS Project Manager, Macro (subcontractor to NCS), **is responsible for creating the test plan and directing the activities of the independent test team and also has the following responsibilities:**

- Coordinating ED acceptance testing
- Subsystem, system, and integration testing
- System certification.
- Updating ED and the CPS Program Manager on the results of the testing.

CPS Operations Manager, NCS, **is responsible for production control and system operations after implementation of the contingency plans. He is also responsible for the conducting a quality control activities for of the first live production following implementation of the contingency plan.**

1 # Sequence of Required Activities:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

1. APPS Division of ED notifies Chief, Program Information Branch, PIC, of the implementation of the contingency plan.
2. Chief, Program Information Branch, PIC, will have responsibility for notifying the SFA community and internal ED staff of the contingency plan implementation.
3. NCS program management (Iowa City, Iowa) will notify CPS Production Control of the implementation of the contingency plan, and to cease scheduling any more production jobs.
4. NCS program management (Iowa City, Iowa) will notify CPS Customer Service in Iowa City of the implementation of the contingency plan.
5. **CPS COTR, COTR for CPS, notify CSC in Meriden, CT, of the implementation of the contingency plan.**
6. **NCS will implement the 1999-2000 and 2000-2001 ADE start up plans.**
7. **NCS production control staff will schedule the ADE transmissions.**
8. **NCS Quality Assurance staff and a team of reviewers will review the first live output before transmission to the CPS.**

2   <u>High Level Schedule:</u>

The ADE implementation schedule is contained in the ADE Implementation Plan.
The plan can be obtained from Systems Manager, APPS Division.

Test Plan

The ADE system will be fully tested using the CPS structured testing approach as described in the CPS System Test Plan and in the ADE Implementation Plan.

4   <u>Personnel:</u>

Director

Application and Pell Processing System (APPS) Division

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4636

Washington, DC 20202

Systems Manager

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4621

Washington, DC 20202

Computer Specialist
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5008
Washington, DC 20202

Director
 Program Systems Service
U.S. Department of Education
7th and D Streets, SW

ROB 3, Room 4640

Washington, DC 20202

MDE COTR

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4635

Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 3030
Washington, DC 20202.

CPS COTR

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4635

Washington, DC 20202

MDE Program Manager, ACT

American College Testing

2100 ACT Circle

Iowa City, Iowa 52243-0168

American College Testing

2100 ACT Circle

Iowa City, Iowa 52243-0168

CPS Program Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

ADE Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Software Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

 CPS Operations Manager
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Product Manager, CPS Web Products
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CSC Data Center Manager
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

Operations Manager, CSC
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

5   Schedules and Locations:

The test schedule 2000-2001 ADE calls for testing to occur in November and December 1999. Testing will take place in Iowa City, Calverton, MD, Lawrence KS and in Meriden CT.

6   Test Procedures:

Exercise business resumption priorities in sequence.

7	Expected Results and Exit Criteria:

Expected results and exit criteria are specified in the ADE Test Plan.
The plan can be obtained from Systems Manager, APPS Division.

PRELIMINARY-DRAFT

Central Processing System (CPS) will process FAFSAs with clock set prior to Year 2000

Failure Title: CPS cannot calculate an Expected Family Contribution (EFC)
Contingency Title: CPS will process Free Federal Aid Applications (FAFSAs) with clock set prior to Year 2000

Contingency Description: ED will set the system clock back to 1998 to calculate an official EFC. In addition, ED will provide estimated

1 Business Owner:

Director

Application and Pell Processing Systems (APPS) Division

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4636

Washington, DC 20202

2 *Prerequisites:*

The activities listed below are actions required to prepare for the implementation of this contingency plan.

9. ED will issue a Request for Proposal (RFP) to NCS to modify the CPS to disable all data edits for prior year edit, and change all date parameters in order to run in the calendar year 1998.
10. ED will review the response to the RFP to obtain cost and scope of work estimates.

11. ED will write the Task Order to modify the system. ED will obtain the funding authorization for the costs of the system modification. (Estimated cost $200,000 - $350,000)
12. ED will award the Task Order to NCS.
13. NCS will begin work under the Task Order by April 30, 1999.
14. NCS modifies and tests the system according to the Task Order specifications and the timelines established by ED.
15. NCS prepares the documentation and network messages to be sent to the Student Financial Assistance (SFA) community.
16. ED APPS Division approves the documentation and network messages to be sent to the SFA community.
17. ED issues a task order to add EFC calculation to FAFSA Express for the 1999 – 2000 and 2000 – 2001 award years.
18. NCS will complete task order to add EFC calculation to 1999 - 2000 and 2000 - 2001 school years.

3   <u>Zero-Day Strategy:</u>

The CPS Year 2000 transition strategy from Computer Sciences Corporation, the contractor that is responsible for the operation of the Student Financial Aid Data Center, is listed below:

Y2K transition processes for Central Processing System will be based on existing processes. Among the processes that will be reviewed, for example, are existing Problem and Change Management procedures and the Service Restoration Team Process. The transition event will be treated in the same manner as a major software upgrade – best practices will be identified and implemented globally.

In preparation of the event, CSC will review supplies and obtain spare parts for critical hardware. Any shared hardware resources will be identified, cross-dependencies will be removed or covered by a contingency plan.

CSC will establish global, regional and local data center command centers to monitor production operations. Open communication with Education and NCS Applications will be established to monitor the Central Processing System.

On December 31st, just prior to the event, production operations, in cooperation with NCS and ED, will utilize existing procedures to initiate, monitor and control the creation of complete backups, image copies, etc. The purpose of these backups is to ensure that all services can be recovered to a point just prior to the Year 2000 event horizon.

Production Operations will follow existing procedures to perform an orderly shutdown of any production system images. The only systems images that will operate across the Year 2000 event horizon will be test system images.

Production Operations will monitor the test system images as they progress across the Year 2000 event horizon.

Production Operations will perform a test of all hardware devices immediately following the Year 2000 event horizon. All hardware will be tested.

Production Operations will ensure that the systems software is performing acceptably after the Year 2000 event horizon has passed.

Production Operations, in cooperation with ED and NCS, will utilize existing procedures to initiate, monitor and control the creation of complete backups, image copies, etc. The purpose of this backup is to ensure that all services can be recovered to a point just after the Year 2000 event horizon.

Production Operations will follow existing procedures to restart production software systems, e.g. CICS, IMS, DB/2, etc.

CSC will coordinate with ED and National Computer Systems (NCS) to ensure that an adequate functional systems test is performed after passing the Year 2000 event horizon. The scope of this test should be similar to a functional test performed during the checkout of a new operating system.

Production Operations will follow existing procedures to resume full production services.

4 Trigger Criteria:

CPS cannot calculate an Expected Family Contribution (EFC) for the 1999-2000 award year on January 3, 2000. CPS cannot calculate an EFC for the 2000-2001 award year on January 15, 2000.

System Monitoring:

CPS Operations Manager and the production control staff will monitor the system activities.

NCS production control staff and CSC (Meriden, CT) computer operators will monitor the system on an ongoing basis. The monitoring entails review of control applications, job completion reports and process control system.

Response Procedure:

The following are a list of procedures to follow to notify ED of system failure.

1. The CPS Operations Manager will notify the CPS program manager and CPS Contracting Officer's Technical Representative (COTR).
2. CPS COTR will notify the Director, APPS Division, and Systems Manager.
3. The CPS Program Manager will validate the system repair plan with the ED CPS COTR and the CSC Data Center Manager.
4. The COTR will request authorization to implement the system repair from Director, APPS Division.
5. The CPS Program Manager will advise the CPS Operations Manager and the CSC Data Center Manager.

Event Monitoring:

The following is a list of activities that will be performed by the CPS Program Manager, the CPS Software Project Manager and the QA/QC staff, to monitor the progress of the system repair.

4. The CPS Software Project Manager, CPS Program Manager, QA/QC staff and testing staff will review system output daily.
5. The Operations Manager, CPS Program Manager, and QA/QC staff will confer with CSC in Meriden, CT for progress updates daily.
6. The Operations Manager, CPS Program Manager, and QA/QC staff will review the system modification, as appropriate, on a daily basis.

Failure Tolerance Threshold:

The Failure Tolerance Threshold is January 14, 2000, for the 1999-2000 school year and January 28, 2000, for the 2000-2001 award year.

Implementation Timeframe:

Once the failure has been determined, NCS will implement the contingency plan within 5 working days of receiving notification from ED to implement the contingency plan.

Go No-Go Decision Point:

If CPS cannot calculate an EFC for 1999-2000 applications on January 3, 2000, the contingency plan will be implemented on January 9, 2000(the fifth business day after the failure). The decision to implement the plan will be made by January 9, 2000, If CPS cannot calculate an EFC for 2000-2001 applications on January 27, 2000, the contingency plan will be implemented on January 28, 2000. The decision to implement the plan will be made by January 23, 2000 (the fifth business day after the failure).

Notification Procedures:

Once the failure has been determined, Education will perform the following actions to communicate the failure to the SFA community.

1. Director, APPS Division, will notify the Education Customer Service (Chief, Program Information Branch) that the contingency plan is being implemented.
2. Systems Manager will provide Chief, Program Information Branch, with approved materials from NCS/CSC regarding the contingency plan implementation.
3. Chief, Program Information Branch, will use the information provided by NCS to communicate the failure and contingency plan to the SFA community.

Business Resumption Team

1 Director, Application and Pell Processing Systems Division
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4636
Washington, DC 20202

Systems Manager
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4621
Washington, DC 20202

Computer Specialist
U. S. Department of Education

7th and D Streets, SW
ROB 3, Room 5008
Washington, DC 20202

Director, Program Systems Service
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4640
Washington, DC 20202

CPS COTR
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4635
Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 3030
Washington, DC 20202.

Processing System Program Manager
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CPS Program Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Software Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CPS Operations Manager
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

 Project Manager, CPS Web Products
National Computer Systems

2510 N. Dodge St., PO Box 30

Iowa City, Iowa 52244

CDS Data Center Manager

CSC – Meriden

71 Deerfield Lane

Meriden, CT 06450

Operations Manager, CSC
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

2 | Roles and Responsibilities:

Director, Application and Pell Processing Systems Division, Business Owner

Department of Education manages the overall activities associated with implementing the contingency plan and has the authority to commit Education resources and also has the following responsibilities:

- Determine that a system failure has occurred.
- Authorize the initiation of the contingency plan implementation.
- Authorize the implementation of the system repair.

Director, Program Systems Service, Service Director

Department of Education manages the overall activities associated with the operation of all Title IV Financial Aid Systems.

Systems Manager, Systems Manager

Department of Education monitors the implementation of the contingency plan and the system repair, and is responsible for notifying Education's Customer Service Manager (Chief, Program Information Branch - PIC) of the system failure and the implementation of the contingency plan and also has the following responsibilities:

- Notify CSC (Meriden, CT) of the system failure.
- Monitor the contingency plan implementation.
- Monitor the progress of the system repair.
- Advise Director, APPS Division, of the progress of the system repair.
- Provide Chief, Program Information Branch the materials prepared by NCS to communicate to the SFA community.
- Direct CPS Customer Service (Iowa City, IA) regarding inquires on the implementation of the contingency plan.

CPS COTR

Department of Education has the following responsibilities:

- Approve NCS Task Order proposal
- Monitor the progress of the system repair.
- Monitor the implementation of the contingency plan.

Computer Specialist, Technical Liaison

Department of Education will serve as the technical liaison to the other Title IV systems located in the Student Financial Aid Systems, as well as ED and CSC contract and operations personnel.

Processing System Program Manager, NCS,* is responsible for notifying Director, APPS Division of the system failure and also has the responsibility of coordinating the activities of NCS and CSC as defined in the Task Order*.

***Quality Engineer, NCS,* is responsible for approving the quality assurance portion of the contingency plan. He is also responsible for ensuring the planned quality assurance activities take place and are appropriately documented.**

***Software Project Manager, NCS, Software Project Manager, NCS,* is responsible for directing the activities of the team responsible for modifying program code and testing for implementation of the contingency and the repair of the system failure.**

CPS Project Manager, Macro (Subcontractor to NCS),* is responsible for creating the test plan and directing the activities of the independent test team and also has the following responsibilities*:

- Coordinating ED acceptance testing.
- Validating the completion of the code modification and the system repair.
- Updating ED and the CPS Program Manager on the results of the validation of the code modification.

***CPS Operations Manager, NCS*, is responsible for production control and system operations after implementation of the contingency plans and is also responsible for conducting quality control activities for of the first live production following implementation of the contingency plan.**

CSC Data Center Manager is responsible for the data center portion of the contingency plan, including setting the system clock back to the agreed upon date and interfaces between NCS production control staff and CSC Operations.

Operations Manager, CSC, is responsible for monitoring mainframe activities, contingency plan implementation and the system repair.

Business Resumption Priorities

1   Sequence of Required Activities:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

9. APPS Division of ED notifies Chief, Program Information Branch, PIC, of the implementation of the contingency plan.
10. Chief, Program Information Branch, PIC, will have responsibility for notifying the SFA community and internal ED staff of the contingency plan implementation.
11. NCS program management (Iowa City, Iowa) will notify CPS Production Control of the implementation of the contingency plan, and to cease scheduling any more production jobs.
12. NCS program management (Iowa City, Iowa) will notify CPS Customer Service in Iowa City of the implementation of the contingency plan.
13. Systems Manager, System Manager for CPS, will notify CSC in Meriden, CT of the implementation of the contingency plan.
14. NCS ceases all production runs.
15. NCS production control will work with CSC operations staff to back up the entire CPS database for all active cycles.
16. CSC Operations will change the system clock to the agreed upon date in 1998.
17. NCS development staff will implement the system changes necessary to make the date change compatible with the applications.
18. Macro, the CPS testing subcontractor, will validate that the contingency system operates according to specifications.
19. NCS production control staff will schedule the contingency production jobs.
20. NCS Quality Assurance staff and a team of reviewers will review the first live output before transmission.
21. After the cause of the Y2K failure is identified and remedied, the NCS software development team will implement and test the appropriate release of the CPS.
22. The Macro Test Team will regression test this release of the software.
23. NCS production control staff will schedule the corrected production jobs.
24. NCS Quality Assurance staff and a team of reviewers will review the first live output before transmission.

2   High Level Schedule:

ID	Task Name	April	May	June	July
1	ED APPS issues task order				
2	NCS submits business proposal				
3	ED Authorizes Task Order				
4	Requirements Defined				
5	System Modifications				
6	Macro Testing				
7	ED to Implement Contingency Plan				
8	CSC system Clock Change				
9	NCS System Repair/Contingency Plan				
10	NCS Production Control/QC Review first output				

Testing Plan

1 Test Objectives:

The plan will test four objectives for the 1999 – 2000 and 2000 – 2001 award year systems:

1. Verification that all date edits and date parameters will work with the system clock set to a date in 1998.
2. Verification that the entire CPS will work with the repaired edits and the clock set back to 1998.
3. Verification that EFCs are correctly calculated.
4. All system outputs are exactly as they were before the edits were changed.

2 Test Approach:

The following is a list of the test areas with a brief description of the approach to successfully test these areas. A problem log will be maintained to document all discrepancies. This test will simulate the actual steps the user would take to complete an entire cycle of functions. The documentation will provide all the test cases and expected results.

Test Item	*Criteria*
Develop Test Cases	Macro will develop test cases for this phase of testing that are Y2K specific.
Regression testing	NCS will test for the "No Regression" condition; that is, the modified program performs the same way as the unmodified program.
Edits	Testing will ensure that editing is occurring, the format is correct and information displayed is correct.
Matches	Testing will take place that will ensure that the data exchanges with the NSLDS, SSA, Selective Service, INS, and VA will be performed correctly.
Subsystem Testing	Standard sub-system testing will begin after the development for new functional requirements. Test cases must be generated to validate repaired date edits.
System Testing	Standard system testing will begin after the completion of sub-system tests. The system tests run the full range of system functionality.

SARS and ISIRS	SARS and ISIRs will be produced and tested for a full range of institutions and situations.
Integration Testing	The final phase of system is the integration test, which tests the interaction between all of the separate components of the system. Because of its importance, Y2K specific test cases will be added during integration testing also.

3 Required Resources:

The execution of the test will require the following resources:

1. NCS Software Project Manager and Software Development Team
2. Macro Test Team
3. DASD in the CSC CPS test environment (Meriden, CT)
4. Communication line (NCS Iowa City/CSC Meriden, CT)
5. NCS Production Control Team
6. CSC Operations team
7. Workstations at CSC and Iowa City
8. Working tape drives at Meriden VDC

4 Personnel:

Director, Application and Pell Processing Systems Division

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4636

Washington, DC 20202

Systems Manager

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4621

Washington, DC 20202

Computer Specialist
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5008
Washington, DC 20202

Director, Program Systems Service

U.S. Department of Education

7th and D Streets, SW

ROB 3, Room 4640

Washington, DC 20202

CPS COTR
U.S. Department of Education
7th and D Streets, SW
ROB 3, Room 4635
Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 3030
Washington, DC 20202.

Processing System Program Manager
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CPS Program Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Software Project Manager, NCS
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CPS Operations Manager
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

Project Manager, CPS Web Products
National Computer Systems
2510 N. Dodge St., PO Box 30
Iowa City, Iowa 52244

CDS Data Center Manager
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

Operations Manager, CSC
CSC – Meriden

71 Deerfield Lane
Meriden, CT 06450.

5   <u>Schedules and Locations:</u>

The test schedule for the contingency plan will occur in November or December 1999. Regardless of those decisions, the testing location(s) will include CSC – Meriden, CT, NCS – Iowa City, IA, and Macro International – Calverton, MD.

6   <u>Test Procedures:</u>

Exercise business resumption priorities in sequence.

7   <u>Expected Results and Exit Criteria:</u>

The test case results produced will be compared to those obtained from the certified systems test for each cycle. The test will be considered successful when the all computed results on the test cases match the computed results of those tests.

PRELIMINARY-DRAFT

ED will increase Pell Grant authorizations (II.a.1)

<div style="border:2px solid blue; background:blue; color:white;">

Failure Title: Recipient Financial Management Systems (RFMS) cannot adjust a school's Pell Grant authorization level based on student level data
Contingency Title: ED will increase Pell Grant authorizations

</div>

Contingency Description: ED will increase Pell Grant authorizations without student-level data.

1 Business Owner:

Chief, Pell Financial Operations Branch
Institutional Financial Management Division (IFMD)
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 4714
Washington, D.C. 20202
Office: (202) 708-9258
e-mail:

2 Prerequisites:

The activities listed below are actions required to prepare for the implemented contingency plan.

1. Before July 1, 1999, IFMD will draft a letter to schools informing them of
   (a) the steps they must take to increase their Pell Grant authorization levels in the event that they cannot provide origination and disbursement records to ED, and (b) the actions ED will take to increase authorization levels in the event that RFMS fails after January 1, 2000.

2. Beginning in May 1999, develop an algorithm to forward fund schools.

3. Automatically test the algorithm during RFMS award year start-up

4. Before June 30, 1999, IFMD will develop a case-load work plan (e.g., decision tree). The work plan will detail the processes and procedures that IFMD will use to ensure that schools receive assistance within seven days, regardless of the number of schools seeking assistance.

5. IFMD will work with IPOS to develop procedures before June 30, 1999, for providing funds to schools on reimbursement.

6. IFMD will prepare a "mass authorization" for early December based upon previous year, January cash drawdowns.

7. Prior to December 30, 1999, provide Cell Phones to Chief, Pell Financial Operations Branch and to the Director, IFMD. The estimated cost for two cell phones is $400.

8. Prior to December 30, 1999, IFMD will purchase a high-speed fax machine (and ample toner), arrange for caller ISDN phones, and purchase an additional desktop printer, to facilitate receiving and responding to school requests for assistance. The estimated costs for this equipment is $6550.

3 **o-Day Strategy:**

N/A

4 **gger Criteria**

The Pell Grant processing system (RFMS) fails and/or schools cannot provide origination and disbursement records to ED.

System Monitoring:

ACS (contractor) production is responsible for monitoring RFMS and will know of any system failures beginning on January 3, 2000.

IFMD will become aware of school system failures when affected schools seek assistance by calling the Pell Grant Customer Service Hotline (1-800-4PGRANT).

Response Procedure:

The following is a list of procedures to follow to notify Education if the system fails.

In the event of an RFMS failure: The contractor will notify ED by issuing a "System Alert" simultaneously to the Student Aid Origination Team (SAOT) and IFMD staff. The Director of SAOT, the Director of the RFMS Division and ACS (ED's contractor), are responsible for initiating and completing system repairs

In the event of school failures: The Pell Grant Customer Service Hotline staff will forward school failure information to IFMD. IFMD will contact the school and provide assistance.

Event Monitoring:

The Director of SAOT and the Director of the Campus-based Systems Division are responsible for monitoring the status of systems repairs and for reporting that status to the Business Owner on a daily basis.

Failure Tolerance Threshold:

Seven business days after becoming aware of a failure.

Implementation Timeframe:

The contingency plan can be implemented in one day.

Go No-Go Decision Point:

The Business Owner will determine whether to implement the contingency plan no later than the sixth business day after an RFMS or school failure, as applicable.

Notification Procedures:

In the event of an RFMS failure, IFMD will notify ED Customer Service that the contingency plan has been implemented. ED Customer Service will inform schools and other interested parties that the plan has been implemented and of the steps that schools need to take under the plan.

Business Resumption Team

1 # Business Resumption Team

IFMD:

Chief, Pell Financial Operations Branch, Business Owner
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

3 Senior Accountants, Pell Financial Operations Branch
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

PSS:

Director, Student Aid Origination Team (SAOT)

U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room ----
Washington, D.C. 20202

Director,
Campus-based Systems Division
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202
:

2 Roles and Responsibilities:

Chief, Pell Financial Operations Branch, Business Owner, is responsible for managing the overall activities associated with implementing the contingency plan and has the authority to commit ED resourcesIn addition, this individual is responsible for developing the algorithm to forward fund schools, determining whether a failure occurs, authorizing the implementation of the plan, authorizing systems repairs, approving authorization increases, and drafting contingency plan-related letters.

Director, Student Aid Origination Team, and Director, Campus-based Systems Division, are responsible for ensuring that ACS performs system repairs.

Senior Accountant, and other accountants, are responsible for analyzing school funding requests and making recommendations regarding those requests to the Business Owner.

1 ## Sequence of Required Activities:

1. The Business Owner notifies ED customer service that IFMD is implementing the contingency plan. ED customer services notifies schools and other parties that the contingency plan has been implemented and notifies schools that ED will not enforce the reporting requirements under §690.83 during the contingency period.

2. (a) In the event of a school failure or multiple school failures, the resumption team analyzes the schools' funding request and makes recommendations regarding those requests to the Business Owner, in accordance with the procedures in the case-load work plan.

    (b) In the event of an RFMS failure, the resumption team increases the Pell Grant authorization of schools systematically, in accordance with the procedures in the case-load work plan.

3. The Business Owner submits approved funding requests to GAPS through the RFMS/Oracle Financial Application (assuming that RFMS operates properly). If there is a RFMS/Oracle failure, the approved funding requests will be made directly into GAPS.

4. For any failure scenario, schools must transmit origination and disbursement   records to ED when RFMS and/or their systems become operational.

5. IFMD will prepare reports periodically for Senior ED management showing the schools seeking assistance. Senior ED management may use this information to determine whether to continue funding those schools.

2 ## High Level Schedule:

ID	Task Name	Business Days
		1 2 3 4 5 6 7
1	Notify schools and other parties.	Business owner
2 (a)	Process school funding requests manually.	Sr Acct and Chief, Pell Financial Operations Branch
2 (b)	Increase authorizations systematically.	Sr Acct and Chief, Pell Financial Operations Branch
3	Update GAPS with increased authorization amounts.	Chief, Pell Financial Operations Branch

1 # Test Objectives:

To assure that IFMD can systematically increase schools' funding in GAPS without student-level reporting.

2 # Test Approach:

IFMD Resumption Team will test the "mass authorization" algorithm through GAPS to determine if funding increases are posted to school accounts.

3 # Required Resources:

No special resources required.

4 # Personnel:

Chief, Pell Financial Operations Branch
3 Senior Accountants

5 # Schedules and Locations:

Test will be performed prior to December 1999 at Regional Office Building (ROB) 3 and Federal Office Building (FB) 6.

6 # Test Procedures:

IFMD Resumption Team will test the "mass authorization" algorithm through GAPS to determine if funding increases are posted to school accounts.

7 # Expected Results and Exit Criteria:

Schools will be provided additional funding in GAPS.

PRELIMINARY-DRAFT

<div style="background-color: blue; color: white; text-align: center;">

The Loan Origination Center (LOC) will draw down funds, as needed, after January 1, 2000 (II.b.1)

</div>

Failure Title: LOC cannot initiate a request for funds for Standard Option and Option 1 schools.
Contingency Title: The LOC will draw down funds for schools.

Contingency Description: LOC will draw down funds for Standard Option and Option 1 schools, as needed, after January 1, 2000.

1 <u>Business Owner</u>:

Director
Student Aid Origination Team (SAOT)
U.S. Department of Education
7th and D streets, S.W.
ROB#3, Room 4621
Washington, DC 20202

(Note: This plan requires coordination with AFMS staff people who are making request through GAPS.)

2 <u>Prerequisites:</u>

1. ED will initiate a contract vehicle by April 1st, 1999, to develop and test a subroutine in LOC that will prevent a duplicate draw down. Ensure that the application is fully developed and successfully tested by November 1st, 1999.
2. ED will establish a process for routing draw down requests to the appropriate staff person.
3. ED will establish a central location for handling requests and communicate necessary contact information to schools in a Dear Colleague Letter.
4. ED will purchase any equipment or supplies needed to support this contingency. This includes a high-speed fax machine estimated to cost $2800.
5. ED will identify schools that may be potentially impacted.

6. AFMS will establish a process for determining the amount of the draw downs for Standard Option and Option 1 schools.
7. Emergency procedures will be established and documented by AFMS prior to November 1st, 1999.
8. AFMS will specify a document layout for a funding request. Formatting instructions will be included as part of the DL Bulletin or the Dear Colleague Letter.
9. The Direct Loan Task Force will draft and send by November 15, 1999, a Dear Colleague Letter or Direct Loan Bulletin advising schools of the contingency plan and of any actions that schools need to take under the plan.
10. ED will send another letter to schools most likely to experience a failure reminding those schools to submit origination records and promissory notes as early as possible.
11. AFMS will capture historical funding data on CD-ROM by December 15th to support this process.

3 Zero-Day Strategy:

Contractor will not run a processing cycle on December 31, 1999, but will wait until January 1, 2000, or January 2, 2000.

4 Trigger Criteria

System Monitoring:

The contractor and ED perform system monitoring on a daily basis.
ED participates in a conference call every day to ascertain the status of the system. The independent quality control unit (IQCU) works with the LOC contractor to ensure that data and outputs are correct. The IQCU contractor reports to ED regularly on the status of the system.

Key Contacts:

On site monitor at ED Production Ballston, VA.

On site monitor for ED LO in Montgomery, AL.

Response Procedure:

EDS Production Support Manager in Montgomery, AL, (will notify on site monitor for ED in Montgomery, AL, and the on site monitor at ED Production Ballston.who will notify the following individuals:

1. Team Lead SAOT
2. Director of Student Aid Origination
3. Contracting Officer and Technical Representative (COTR) for LO
4. Director of Program Systems Service (PSS)
5. Director of Accounting and Financial Management Service
6. Acting Director of Direct Loan Task Force
7. Office of the Chief Financial Officer
8. Director, Client Account Managers

9. Director, Institutional Participation and Oversight Service (IPOS),

Event Monitoring:

The contractor and ED perform system monitoring on a daily basis.
ED participates in a conference call every day to ascertain the status of the system.
The independent quality control unit (IQCU) works with the LOC contractor to ensure that data and outputs are correct. The IQCU contractor reports to ED regularly on the status of the system.

IQCU contractor PricewaterhouseCoopers provides a weekly status report. Upon a change in status, IQCU will notify the persons identified in the response procedure.

Key Contacts:

Quality Control Monitor, PricewaterhouseCoopers

On site monitor at ED Production Ballston, VA.

On site monitor for ED LO in Montgomery, AL

Failure Tolerance Threshold:

The failure tolerance threshold for this process is three business days.

Implementation Timeframe:

The implementation timeframe for this process is three business days consisting of the following activities:

1. Notification to schools that a failure has occurred (1 day)
2. Schools transmit documents requesting funds to AFMS (1 day)
3. AFMS processes funding request manually (1 day)
4. Schools will receive funds within three business days (Normal Service Level)

Go No-Go Decision Point:

PSS and AFMS will initiate the contingency immediately upon receiving a notification of a failure.

Notification Procedures:

Acting Director, Direct Loan Task Force, will write an emergency DL Bulletin and will send it to all schools immediately upon receiving notification that a failure has occurred.

63

Notification will occur by posting the DL Bulletin to the list server (FinAid, MedLoan & DirLoan), by utilizing Fast Fax, and by posting information to IFAP.

Acting Director, Direct Loan Task Force, will write a
script for customer service personnel that outlines procedures for schools to use in an emergency situation.

This script will be provided to:

- Director of Client Account Managers
- EDS Production Support Manager, Montgomery, AL
- Director, Training and Program Information Division

1 siness Resumption Team

PSS

Director, Student Aid OriginationTeam
Leader, Student Aid Origination Team
On site monitor at ED Production in Ballston, VA
On site monitor for ED LO in Montgomery, AL

AFMS

Director, Accounting and Financial Management Service
Direct Loan Branch Chief
8 Financial Management Specialists

EDS

EDS Production Support Manager

Direct Loan Task Force

Acting Director of Direct Loan Task Force

Policy Training and Analysis Service

Direct Loan Liaison Officer, Client Account Managers

2 Roles and Responsibilities:

Director, Student Aid Origination, Business Owner, manages the overall activities associated with implementing the contingency and authorizing the initiation of the contingency plan.

On site monitor at ED Production in Ballston, VA, monitors production activities and notifies ED personnel in case of a failure.

On site monitor for ED LO in Montgomery, AL, monitors production activities and notifies ED personnel in case of a failure.

Team Leader, Student Aid Origination Team, provides assistance to Business Owner in managing the activities required to implement the contingency.

Director, Accounting and Financial Management Service, manages the financial resources associated with implementing the contingency.

Direct Loan Branch Chief, leads the implementation of the AFMS portion of the contingency plan.

3 Financial Management Specialist analyzes school requests and makes school draw down requests.

.   5 Financial Management Specialists analyze school requests and makes school draw down requests and contact schools regarding draw down requests.

Production Manager EDS Montgomery, AL, monitors production activities, identifies occurrence of a failure and coordinates system repair and renovation activities for contractor.

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. Notify external parties, customer service and IPOS reimbursement specialists that contingency is in effect.
2. Schools will be directed to send data, if possible, that will be stored on Title IV WAN for later forwarding to the LOC system when LOC becomes functional. If schools fail, schools will be required to capture data for transmission to ED later when school system becomes operational. ED will not accept individual borrower records on paper.
3. Institutions will request a specific dollar amount for a specific date range on school letterhead. These will be faxed directly to AFMS as per instructions provided in a Dear Colleague Letter or DL Bulletin. In the event schools are pre-funded this would apply only to amounts more than the previously authorized amounts made available to institutions during the pre-funding mitigation.
4. Receive funding requests from schools.
   (Note: AFMS will require a high-speed fax machine to handle increased volume during emergency.)
5. Perform analysis. This analysis will be performed by AFMS staff, however, funds will be released only by designated responsible individuals. (Note: Adequate staff currently exists to perform this function should a failure occur.)

6. AFMS will check for reimbursement status and for existence of a stop pay order.
7. AFMS will validate the reasonableness of the request by checking the request against GAPS.
8. Direct Loan Branch Chief approves or denies the request or delegates this authority.
9. AFMS makes the funding request through payment maintenance screens within GAPS.
10. AFMS records in a spreadsheet application information regarding each request that is received. AFMS captures the following information: institutional name, date of request, date range, the amount requested by school and amount approved in GAPS by AFMS.
11. AFMS periodically prepares reports to senior ED management showing the schools seeking assistance. Senior management may use these reports to determine whether to continue to fund those schools.

   After the system is fixed, LOC system will process all data records stored in school mailboxes on the Title IV WAN.

2 <u>High Level Schedule</u>:

ID	Task Name	Day 1	Day 2	Day 3
1	Notify schools and other parties that plan has been implemented	▬		
2 & 3	Schools submit funding request		▬	
4 - 7	AFMS reviews and processes school's request			▬
8 & 9	AFMS approves and makes funding request through GAPS			▬
10	AFMS records transaction			▬

Test Plan

1 <u>Test Objective</u>:

To assure that Option 1 and Standard Option Direct Loan schools can receive funding increases in GAPS and obtain draw downs of funds without submitting origination and disbursement records.

2 <u>Test Approach</u>:

AFMS currently has procedures in place to facilitate a manual request for funds from Option 1 and Standard Option schools. This process is subject to repeated use and periodic modification. No specialized testing requirements are required to establish the effectiveness of this process.

To test the overall effectiveness of the contingency plan resources from several areas will be required. As part of the test, ED will coordinate a mock failure of LOC and involve resources from the LOC, PSS, and AFMS.

On an agreed upon date, ED will initiate the steps described in this contingency to determine the ability of the various resources to communicate and to coordinate responses.

3 <u>Required Resources</u>:

High-speed fax machine identified in prerequisites will need to be installed and operational.

4 <u>Personnel</u>:

PSS

Team Leader, Student Aid Origination Team
Computer Specialist, Stephanie Courtney
On site monitor at ED Production in Ballston, VA
On site monitor for ED LO in Montgomery, AL

AFMS

Financial Management Specialist

EDS

Production Manager EDS LOC Montgomery, AL

5 Schedules and Locations:

June 1999, Regional Office Building (ROB) 3, 7th & D St,   AFMS Offices.

6 Test Procedures:

Execute the business resumption priorities in sequence.

7 Expected Results and Exit Criteria:

Schools receive additional funding in GAPS. Exit test when GAPS properly reflects the adjustment.

PRELIMINARY-DRAFT

Ed will use preliminary Campus-based authorization amounts (II.c.1)

Failure Title: ED cannot calculate final campus-based program authorizations
Contingency Title: ED will use preliminary campus-based authorization amounts

Contingency Description: ED will calculate preliminary campus-based authorization amounts in December 1999 and use those amounts as final awards in the event of an ED system or school failures.

1 Business Owner:

Chief, CampusBased Financial Operations Branch
U.S. Department of Education
7th & D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

2 Prerequisites:

1. Institutional Financial Management Division (IFMD) staff will draft letters and other correspondence to schools informing them of the Campus-based program contingency plan and of any actions the schools may need to take if they cannot provide corrections to their FISAP data. This correspondence will include phone numbers and e-mail addresses of the campus-based staff in the Institutional Services Branch, and other customer service units, that schools may need contact to obtain further information or to inform ED of school system failures.

2. By August 31, 1999, IFMD will prepare and test the 2000-2001 campus-based award calculations.

3. IFMD will conduct "waiver" panels (under-utilization and institutional share) in early October.

4. By October 18, 1999, IFMD will call schools with unusual data fields and request corrections of the FISAP data submitted by those schools.

5. On November 6, 1999 IFMD will issue Edit I criteria (e.g., the first round of FISAP edits) to schools and prepare management reports of FISAP data analysis immediately upon receipt of those edits.

6. Before December 30, 1999, IFMD will calculate preliminary campus-based authorization amounts based on the first round of FISAP edits.

7. IFMD will provide cell phones to the Business Owner, Chief, CampusBased Financial Operations Branch and a designated Financial Management Specialist. These are estimated to cost $400.

3 **Zero-Day Strategy:**

None.

4 Trigger Criteria

Campus-based system fails.

System Monitoring:

The Campus-based system contractor, Universal Automation Labs (UAL), is responsible for monitoring school transmissions of FISAP data.

School system failures related to reporting data corrections under the second round of edits will be identified when the schools call the Institutional Services Branch, IFMD, the Gateway Customer Service, or the Public Inquiry Contractor (PIC).

UAL will provide statistical reporting data that will be monitored daily to ascertain if large numbers of schools are not submitting FISAP edit corrections.

Response Procedure:

UAL will alert Campus-based Systems of any system failures who will in turn alert Chief, Campus based Financial Operations Branch (Business Owner) if UAL monitoring detects system failures.

Campus-based Systems staff is responsible for analyzing system failures and assuring that appropriate repairs are performed by ED staff and the contractor.

For school failures, the Institutional Services Branch will provide program assistance; and, where necessary, forward transmission errors and software technical support problems to ED Customer Support staff and Gateway staff.

Event Monitoring:

Director, Campus based programs System Division, is responsible for monitoring the status of systems repairs and for reporting that status to the Business Owner on a daily basis.

Failure Tolerance Threshold:

IFMD will attempt to obtain corrected FISAP data from schools experiencing Y2K failures (e.g., IFMD will accept faxed corrections) and complete any required repairs to the Campus-based system by March 1, 2000.

Implementation Timeframe:

This contingency plan can be implemented in one day.

Go No-Go Decision Point:

If IFMD does not obtain corrected FISAP data from schools or ED does not complete repairs on the Campus-based system by March 2, 2000, ED will use the campus-based authorization amounts prepared in December 1999 to fund schools.

Notification Procedures:

IFMD will notify ED Customer Service on the day the contingency plan is implemented. ED Customer Service will notify schools as soon as possible.

Business Resumption Team

1 Business Resumption Team

Chief
Campus Based Financial Operations Branch
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

Financial Management Specialist
Campus Based Financial Operations Branch
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

Financial Management Specialist
Campus Based Financial Operations Branch
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

Director
Institutional Financial Management Division
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

Director
Campus Based Programs System Division
U.S. Department of Education
7th and D Streets, S.W.
ROB-3, Room 4714
Washington, D.C. 20202

Electronic FISAP Administrator
Universal Automation Labs (UAL), Contractor
8300 Colesville Road
Suite 500
Silver Spring, Maryland 20910

2 Roles and Responsibilities:

Chief, Campus-based Financial Operations Branch, Business Owner, is responsible for managing the overall activities associated with implementing the contingency plan and has the authority to commit ED resources

The two Financial Management Specialists are responsible for monitoring the progress of system repairs.

Director, Institutional Financial Management Division, will serve as a liaison between PSS, UAL, and OCFO in carrying out and monitoring the activities under the plan.

Director, Campus-based programs System Division, PSS, is responsible for monitoring the Campus-Based System on a daily basis, providing statistical reporting data, notifying the Business Owner of any system failures, and authorizing system repairs.

Business Resumption Priorities

1 Sequence of Required Activities:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

1. No later than January 15, 2000, IFMD will prepare and submit to ED Customer Service for dissemination, letters to schools informing them of their preliminary campus-based authorization amounts. The letters will remind schools that these amounts will become their final authorizations if ED systems fail.

2. During January and February 2000, IFMD will work with schools experiencing Y2K related problems and arrange for those schools to provide corrected FISAP data by fax or other means.

3. If the Business Owner decides to implement the contingency plan, the previously prepared authorization file (e.g., the preliminary campus-based program authorizations calculated in December 1999) will be submitted to GAPS to fund schools.

4. IFMO will notify customer service that the plan has been implemented and customer service will notify schools.

2 | High Level Schedule:

ID	Task Name	January	February	March
1	Inform schools of preliminary authorizations on January 15, 2000.	Business owner		
2	Assist schools having difficulties providing FISAP corrections.	IFMD staff		
3	Submit preliminary authorization file to GAOS on March 3, 2000			Business owner
4	Notify schools that preliminary authorizations are final on March 4, 2000.			Business owner

Testing Plan

Not applicable (the campus-based authorization file will be prepared in December 1999).

PRELIMINARY-DRAFT

ED will allow schools to request Title IV funds in December 1999 (II.d.1)

Failure Title: Mitigates the risks of a GAPS or lender failure
Mitigation Title: ED will allow school to request Tile IV funds in December 1999

Mitigation Description: ED will allow schools to request Title IV aid in December 1999 for amounts needed to meet their January 2000 funding needs.

1 Business Owner:

Director
Accounting and Financial Management Service
U.S. Department of Education
7th and D Streets, SW
ROB-#, Room 4624H
Washington, DC 20202

2 Prerequisites:

The activities listed below are actions required to prepare for the implementation of this contingency plan.

1. ED's Budget Service will determine the costs to the Federal government in making funds available to schools under this mitigation plan.

3 **o-Day Strategy:**

N/A

4 Trigger Criteria:
N/A

Business Resumption Team

1 Business Resumption Team

AFMS

Director, Accounting and Financial Management Service
Director, Institutional Financial Management Division
Direct Loan Branch Chief
Chief, Pell Financial Operations Branch
Financial Management Specialist
RFMS Developer

PSS

Director, Student Aid Origination
On site monitor at ED Production in Ballston, VA
On site monitor for ED Loan Origination (LO) in Montgomery, AL

Direct Loan Task Force

Acting Director of Direct Loan Task Force

Policy Training and Analysis Service

Director, Policy Development Division
Chief, Program Information Branch

EDS

EDS Production Support Manager, Montgomery, AL,

2 Roles and Responsibilities:

Director, Accounting and Financial Management Service, Business Owner,
manages the overall activities associated with implementing the mitigation plan and has the
authority to commit ED resources to carry out the plan.

Director, Student Aid Origination, provides assistance to the Business Owner in managing the activities required to implement the Direct Loan portion of the mitigation plan.

Director, Institutional Financial Management Division, provides assistance to the Business Owner in managing the activities required to implement the Pell Grant portion of the mitigation plan.

Direct Loan Branch Chief, leads the activities under the mitigation plan related to determining and establishing funding amounts for Direct Loan schools.

Chief, Pell Financial Operations Branch, leads the activities under the mitigation plan related to determining and establishing funding amounts for schools participating in the Pell Grant program.

Director, Policy Development Division, prepares and clears guidance that schools, lenders, and other parties need to follow under the mitigation plan.

Chief, Program Information Branch, disseminates information about the mitigation plan to schools, lenders, and other parties.

Financial Management Specialist analyzes school funding needs, and draws down funds for schools.

RFMS Developer is responsible for developing algorithm to increase authorization levels.

On site monitor at ED Production in Ballston, VA, monitors production activities and notifies ED personnel of any problems.

On site monitor for ED LO in Montgomery, AL, monitors production activities and notifies ED personnel of any problems.

Business Resumption Priorities

1 ## <u>Sequence of Required Activities</u>:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

Systems and Operations Activities:

a. For the Pell Grant program, IFMD will:

(1) Develop an algorithm to systematically increase the authorization levels of all schools and test the algorithm during the 1999-2000 award year RFMS start-up;

(2) Prepare a "mass authorization" for early December 1999 based on schools' previous year January draws and test the mass authorization process with GAPS; and

(3) Submit the mass authorization file to GAPS by December 15, 1999.

b. For the Direct Loan program:

(1) PSS will initiate a task order by April 1, 1999, to develop and test a subroutine in LOC that will prevent a duplicate drawdown after schools submit origination records. The subroutine will be fully developed and tested by November 1, 1999;

(2) AFMS will establish a process for determining the amount of funds (based on historical funding data) that ED will request on behalf of Standard Option and Option 1 schools;

(3) AFMS will submit accounting files (cash control amounts) for all Direct Loan schools to GAPS by December 15, 1999;

(4) AFMS will initiate requests for funds for Standard and Option 1 schools beginning on December 17, 1999; and

(5) AFMS will establish procedures for determining the amount of funds EDS will need to pay off loans that will be consolidated in January 2000 and provide those funds to EDS by December 30, 1999.

Regulatory and other policy-related activities:

a. PTAS will draft and clear policy guidance for schools, lenders, and other parties, that includes:

(1) In consultation with the CFO, a detailed description of the procedures that schools will follow in requesting Pell Grant, Campus-based, and Direct Loan program funds from ED under the mitigation plan. As provided under the plan, ED will provide GAPS with accounting files increasing Pell Grant authorizations and Direct Loan cash control amounts to enable schools to draw down sufficient funds in December 1999 to meet their January 2000 disbursement needs. After the school receives the funds, (a) it may use the funds to credit the student's account or (b) it may maintain the funds in its Federal bank account and disburse those funds as it normally would in January 2000. If the school chooses to credit the student's account, the school may not pay any resulting credit balance to the student or parent until it normally would in January 2000;

(2)   A detailed description of the procedures that schools will follow in requesting FFEL program funds from lenders. Under the plan, ED will allow a school to request funds from a lender in December 1999 that the school would otherwise request in January 2000. The school may make this request when it certifies a loan application or at a later date. After the school receives the funds, (a) it may use the funds to credit the student's account or (b) it may maintain the funds in its bank account and disburse those funds as it normally would in January 2000. If the school chooses to credit the student's account, the school may not pay any resulting credit balance to the student or parent until it normally would in January 2000;

(3) A listing and explanation of the statutory provisions and regulatory requirements that ED will not enforce during the time the mitigation plan is in effect, including the immediate need, loan certification, early disbursement, and excess cash provisions in the cash management regulations; and

(4) A discussion of other issues related to actions that ED, schools, lenders, or other parties may need to carry-out before and during the time the mitigation plan is in effect, or after the plan expires.

b. PTAS will publish the guidance in April 1999 and conduct activities necessary to disseminate information about the plan during the rest of the calendar year.

c. The Office of Legislative Affairs and OGC will:

(1) Identify any statutory provisions that prevent ED from   implementing the plan or that interfere with actions that schools, lenders, and other parties may need to take under the plan; and

(2) Take the actions necessary to obtain statutory relief from those provisions.

2   High Level Schedule:

ID	Task Name	April	May	June	December
	Pell Grant Operations				
1	Develop algorithm to systematically increase authorizations and test algorithm during RFMS startup by May 28.		Fin Mgt Specialist & Director IFMD		
2	Prepare mass authorization and test with GAPS by Dec. 7.				Chief, Pell Fin Op
3	Submit mass authorization file to GAPS by Dec. 15.	Director, SAO			Chief, Pell Fin Op
			AFMS Direct Ln Branch		
					AFMS Direct Ln Branch

ID	Task Name	April	May	June	December
	Direct Loan Operations				
1	Initiate task order for subroutine by April 1.				
2	Establish process for determining funding amounts.				
3	Submit cash control file to GAPS by Dec. 15.				
4	Initiate requests for funds for Standard and Option 1 schools.				
5	Provide funds to ED's consolidation loans by Dec. 30.				
	Policy-related Activities				
A (1,2,3,& 4)	Develop and clear procedures that schools will use under the plan and identify the regulations that will not be enforced by April 15.				
B	Publish procedures and policies by April 30.				
C (1)	Identify any statutory provisions that may interfere with plan by April 5.				
C (2)	Initiate actions to obtain statutory relief by April 12.				

Testing Plan

Not Applicable.

PRELIMINARY-DRAFT

ED will process Direct PLUS applications without credit reports (II.e.1)

Failure Title: ED's Loan Origination Center cannot receive or process credit reports for PLUS loan borrowers
Contingency Title: ED will process Direct PLUS applications without credit reports

Contingency Description: If ED's Loan Origination Center or the Loan Consolidation Center cannot request or receive credit reports for PLUS borrowers, ED will process the borrowers' applications without the reports. System queries will be developed to identify the actions taken for these borrowers.

1 Business Owner:

Director
Student Aid Origination (SAOT)
U.S. Department of Education
7th and D streets, S.W.

ROB#3, Room 4621
Washington, DC 20202

Team Leader, Direct Consolidation Loan Team
Direct Loan Task Force
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5626
Washington, D C 20202-5404

In consultation with EDS, it's vendor for Direct Consolidation Loan processing:

Production Support Manager, EDS Loan Origination Center (LOC) Montgomery, AL, Account Manager, EDS Loan Consolidation Center (LCC)

2 Prerequisites:

1. ED/Direct Loan program and the EDS LOC/LCC staff will obtain a copy of the current EDS/LOS disaster recovery plan.
2. ED/Direct Loan program and the EDS LOC/LCC staff will obtain access to current EDS operating procedures that govern system backups and inventory control in order to monitor event.
3. ED/Direct Loan program and the EDS LOC and LCC staff will obtain access to current manual procedures that define system and user processes and procedures in order to monitor event.
4. By April 1st, 1999, ED will initiate a contract vehicle to EDS to allow PLUS activity to continue without credit checks; set an appropriate flag to identify PLUS borrowers processed without credit checks, and issue appropriate letters. ED will ensure that the contingency is fully developed and successfully tested by November 1st, 1999.
5. Establish a process to approve Direct PLUS loans without obtaining a credit report.
6. Prepare a letter that LOS will use to inform borrowers that a credit check was not performed as part of Direct PLUS processing. The letter will be drafted by the LOC and the LCC and approved by ED.
7. As part of the Task Order to EDS, a mechanism will be established to track and report borrowers that did not have credit checks performed.
8. In the event that the contingency plan is implemented, ED will not apply the requirements under §685.200(b) with respect to making an evaluation of a parent's credit history.
9. Determine the cost to the Federal government of potential defaults for borrowers who had Direct PLUS loans approved without a credit report
10. Train the Business Resumption Team to implement the contingency.

3 o-Day Strategy:

Student Aid Origination Team, Program System Services (PSS), will task the contractor to develop a zero day strategy as part of their Y2K preparation.

To minimize the potential of data anomalies and possible data conversions, a detailed schedule will be developed to ensure that all transactions sent from the LOS (including from the LCC for Direct PLUS consolidations) to obtain a credit check have completed processing prior to January

1, 2000. All credit check requests sent for processing through December 20, 1999, should be processed prior to 1:01 a.m. on January 1, 2000.

4 Trigger Criteria

The LOC and or the LCC are unable to request or receive credit reports for PLUS loan borrowers for three consecutive days.

System Monitoring:

ED monitors system performance daily through cycle and production reports that are distributed and discussed in a daily 9:00 a.m. conference call. This daily review will provide for early identification of issues that may interrupt business operations if not resolved on a timely basis.

The independent quality control unit (IQCU) works with the Direct Loan contractor to ensure that data and outputs are correct. The IQCU contractor reports to ED regularly on the status of the system.

Key Contacts:

On site monitor at ED Production Ballston, VA.

On site monitor for ED in Montgomery, AL.

ED LC Systems Team Lead, Washington, D.C.

ED Production Ballston, VA

ED LCC On-Site Monitor, Louisville, KY

ED LC Operations Liaison, Montgomery AL

EDS LC Production Support Manager, Louisville KY

Production Support Manager, EDS Loan Origination Center (LOC) Montgomery, AL

Response Procedure:

a) For LO PLUS credit check failure, EDS Production Support Manager in Montgomery, AL, will notify on site monitor for ED in Montgomery, AL, and the on site monitor at ED Production Ballston,.

ED Production Ballston will notify the following individuals:

9. Team Lead SAOT
10. Director, Student Aid Origination
11. ED's LO/LC Contracting Officer and Technical Representative (COTR)
12. Acting Director of Direct Loan Task Force

b) For Loan Consolidation PLUS credit check failures,
EDS LC Production Support Manager in Louisville, KY, will notify EDS LCC
Account Manager and ED LC On-Site Monitor, Louisville, KY, and the ED LC
Systems Team Lead, Washington, D.C.

ED LC Systems Team Lead will notify:

1. ED LC Team Lead
2. Contracting Officer and Technical Representative (COTR) for LO/LC
3. ED Acting Director of Direct Loan Task Force

Event Monitoring:

Independent Quality Control Unit (IQCU) personnel will work with ED and EDS staff to continually monitor progress toward issue resolution, including a walk-through of all issue identification and resolution discussions. They will validate resolution of any failure and simultaneously report to ED and EDS the status of the resolution. IQCU will confirm that the contingency is no longer needed when the LOC and the LCC are able to receive credit reports which properly reflect borrowers credit history.

Key Contact:

Quality Control Manager, PricewaterhouseCoopers, Montgomery AL

On site monitor at ED Production Ballston, VA.

ED LO On site monitor, Montgomery, AL
ED LC On-Site Monitor, Louisville, KY

Failure Tolerance Threshold:

The failure tolerance threshold is 8 days. If, after three consecutive days PLUS credit checks are not available from the LOC's and the LCC's current provider, another provider will be contacted. If credit reports are still not available after three days, the contingency will be implemented.

Implementation Timeframe:

One business day following the determination of failure of the second credit report provider.

Go No-Go Decision Point:

ED and EDS will evaluate the extent of the impact, and ED will implement this contingency beginning the first business day after being notified that the second credit report provider has failed.
.

Notification Procedures:

a) If there is an LO failure, Director, Student Aid Origination, in consultation with Direct Loans Policy Group, Policy Development Division, will draft a Customer Service Bulletin to be posted to the ED's Web page, IFAP and the appropriate customer list serves to inform the community that the contingency has been implemented and will also approve VRU messages that are written by LOC staff.

b) If there is an LC failure, ED's Loan Consolidation Team Lead, in consultation with Direct Loans Policy Group, Policy Development Division, will draft a Customer Service Bulletin to be posted to the ED's Web page, IFAP and the appropriate customer list serves to inform the community that the contingency has been implemented. She will also approve VRU messages that are written by LCC staff.

Business Resumption Team

1 # Business Resumption Team

1. For LO:
   Director, Student Aid Origination
   Team Leader, Student Aid Origination Team,
   On site monitor at ED Production in Ballston, VA,
   On site monitor for ED in Montgomery, AL

2. For LC:
   Team Lead, Direct Consolidation Loan Team,
   LC Systems Lead,
   ED LC On site monitor, Louisville, KY
   ED LC On site Operations Liaison, Montgomery

2 # Roles and Responsibilities:

Director, Student Aid Origination, Business Owner, manages the overall activities associated with implementing the contingency and authorizing the initiation of the contingency plan.

Team Leader, Student Aid Origination Team, provides assistance to Business Process Owner in managing the activities required to implement the contingency.

On site monitor at ED Production in Ballston, VA, monitors production activities and notifies ED personnel in case of a failure.

On site monitor for ED in Montgomery, AL, monitors LO production activities and notifies ED personnel in case of a failure.

Team Leader, Direct Consolidation Loan Team, Business Owner, manages the overall activities of ED staff with respect to the Direct Consolidation Loan program and communicates to upper ED management through the Director of the Direct Loan Task Force.

ED LC Operations Team Lead reviews and advises on all operations matters and interactions with customers. Assists LC Team Lead.

ED LC Customer Service Team Lead is responsible for customer service interactions.

ED LC Systems Team Lead is responsible for system and production issues.

ED Chief Direct Loans Policy Group is responsible for guidance with respect to regulatory policy and interpretation and will review guidance to schools and PLUS borrowers.

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. Initiate contingency.
2. Notify external parties and ED customer service that contingency is in effect.
3. EDS implements contingency according to the requirements of ED's April 1999 Task Order.
4. The LOC notifies borrowers that their Direct PLUS loans were processed without current credit reports being available.
5. The LOC begins tracking borrowers for whom there is no credit check completed.
6. The LOC reports to ED on the borrowers processed without credit checks.
7. When notified that credit checks can again be performed, the contingency is no longer in effect and normal credit check processing will resume.

2 ## High Level Schedule:

ID	Task Name	January 6	January 11
1	Business owner(s) prepare notification to external parties that ED is implementing contingencies.		
2	LOC begins to "pass" all PLUS applicants.		
3	Letters are initiated by LOC to PLUS applicants and schools informing them that PLUS loans are being approved at this time without credit reports.		

1   Test Objectives:

Testing will be part of the April 1999 contract vehicle:

1. Testing will validate that Direct PLUS processing components are functional.
2. Testing will validate that Direct PLUS application processing may resume with the indication of positive credit while at the same time tracking the applicants for whom no credit report was provided.
3. Testing will validate that correct output in the form of school acknowledgements and borrower letters is produced.

2   Test Approach:

The approach to validating is that all system processes are functioning with respect to PLUS credit check indicators. A walk through of the test plan will be conducted with IQCU and ED to ensure that all parties agree with the approach.

3   Required Resources

The test will either be completed by Operations staff in Montgomery where the credit checks are currently initiated, and presented to the on-site monitor for sign-off, or completed by the testing team in Ballston and presented to ED staff at that location for sign-off.

4   Personnel

The team responsible for performing the test of the contingency is:

- On site monitor at ED Production in Ballston, VA,
- Team Leader, Student Aid Origination Team
- Computer Specialist
- ED LC Systems Team Lead
- Testing staff assigned by EDS. (See Management Recovery Team, on page 4-41 of the Disaster Recovery Plan. This same team will be used to support testing.)

5   Schedules and Locations:

The test will either be completed by Operations staff in Montgomery where the credit checks are currently initiated, and presented to the on-site monitor for sign-off, or completed by the testing team in Ballston and presented to ED staff at that location for sign-off.

6   Test Procedures:

A walk through of the test plan and procedures will be conducted with IQCU and ED.

7 | Expected Results and Exit Criteria

The test will be considered successful when the test objectives are met:

1. Testing will validate that Direct PLUS processing components are functional.
2. Testing will validate that Direct PLUS application processing may resume with the indication of positive credit while at the same time tracking the applicants for whom no credit report was provided.
3. Testing will validate that correct output in the form of school acknowledgements and borrower letters is produced.

PRELIMINARY-DRAFT

ED will process Direct Consolidation Loans manually
(II.f.1)

Failure Title: ED cannot receive or process paper Direct Consolidation Loan applications
Contingency Title: ED will process Direct Consolidation Loans manually

Contingency Description: The Loan Consolidation Center (LCC) will process Direct Consolidation Loan applications. manually.

1 <u>Business Owner</u>:

Team Leader, Direct Consolidation Loan Team
Direct Loan Task Force
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5626
Washington, D C 20202-5404

Account Manager, Loan Consolidation Center, EDS, Account Manager
Loan Consolidation Center
EDS
10100 Linn Station Road
Louisville, KY 40223

2 <u>Prerequisites:</u>

1. Each key decision maker in the ED/Direct Lending program and the EDS
   management structure will obtain a copy of the current EDS/LOS disaster recovery

plan. This plan contains the detailed information needed to plan for continuity of business operations in the event of a disruption in business operations.

2. ED and LOC staff will obtain access to current EDS operating procedures that govern system backups and inventory control.

3. ED and LOC staff will obtain current EDS manual procedures that define system and user processes/procedures

4. All Direct Loan transactions which have been sent to the Central Data System (CDS)/Direct Loan Servicing System (DLSS) by December 15, 1999, will be acknowledged or XE'd by December 31, 1999.

3 **Zero-Day Strategy:**

Student Aid Origination Team, Program System Services (PSS) will be tasking the contractor to develop a zero day strategy as part of their Y2K preparation.

4 Trigger Criteria

The imaging entry system is unable to process paper applications for three consecutive days, or the Loan Consolidation System is unavailable to support system processing of paper applications for three consecutive days. Another four days will be allowed in order while the system is being repaired.

System Monitoring:

ED monitors system performance daily through cycle and production reports that are distributed and discussed in a daily 9AM conference call. This daily review provides for early identification of issues that may interrupt business operations if not resolved on a timely basis.

Key Contacts:

ED LC Systems Team Lead, Washington, D.C.

ED LC Management Support, Washington, D.C.

ED LC Operations Liaison, Montgomery, AL

EDS LC Production Support Manager, Louisville, KY

ED Production Ballston, VA

3 Response Procedure:

EDS Production Support Manager in Louisville, KY, will contact EDS LCC Account Manager, ED LC Systems Lead and ED LC Production staff.

ED LC Systems Lead will notify:

1. ED LC Team Lead
2. ED Acting Director of Direct loan Task Force

Event Monitoring:

Independent Quality Control Unit (IQCU) personnel will work with ED and EDS staff to continually monitor progress toward issue resolution, including a walk-through of all issue identification and resolution discussions. They will validate resolution of any failure report simultaneously the status of the resolution to ED and EDS.

Key Contact:

Quality Control Manager, PricewaterhouseCoopers, Montgomery, AL

Failure Tolerance Threshold:

The failure tolerance threshold for this process is 7 days. (3 days from the time the LOC receives an application for normal imaging and data entry functions plus 4 days to bring up imaging and or data entry systems. In the event of a total system failure, the LOC will move directly to the Disaster Recovery Action Items found in the Loan Consolidation Center's Disaster Recovery Plan.

Implementation Timeframe:

Depending on the extent of the failure the implementation timeframe for this process is 6 days:

Go No-Go Decision Point:

ED will commit to this contingency beginning the fifth day after being notified of the failure.

Notification Procedures:

ED's Loan Consolidation Team Lead Team Leader, Direct Consolidation Loan Team will draft a Customer Service Bulletin to be posted to the ED's Web page (IFAP), and the appropriate customer list serves, to inform the community of possible disruption in providing information regarding the processing status of applications. She will also approve scripts and or VRU

messages that are written by LCC staff to assist customer service representatives at ED or the LCC respond to inquiries from applicants.

Information will also be provided to:

Director of Client Account Managers and ED Director, Training and Program Information Division, for use by the Public Inquiry Contractor (PIC).

IQCU will be notified to begin monitoring the temporary process to assure data and information integrity is preserved.

Business Resumption Team

1 Business Resumption Team

Account Manager, Loan Consolidation Center, EDS

EDS LC Production Support Manager

Team Leader, Direct Consolidation Loan Team

ED LC Operations/Customer Service Team Lead

ED LO/LC Contracting Officer's Technical Representative (COTR
ED On-site LC Monitor – Louisville, KY

ED On-site LC Liaison – Montgomery, AL

2 Roles and Responsibilities:

Team Leader, Direct Consolidation Loan Team/Business Owner, manages the overall activities of ED staff with respect to the Direct Consolidation Loan program and communicates to upper ED management through the Acting Director of the Direct Loan Task Force.

ED Operations reviews and advises on all operations matters and interactions with customers. Assists Team Lead.

ED LO/LC COTR coordinates interactions with contractor according to contract requirements.

ED On-site LC Monitor-- Louisville monitors contractor performance for LC.

ED On-site LC Liaison -- Montgomery advises and assists the contractor on day-to-day issues. Monitors customer service performance.

Account Manager, Loan Consolidation Center, EDS, manages the LCC facility and staff and is the responsible administrative officer.

EDS LC Production Support Manager, manages the LCC system for EDS and will oversee the development and testing of system fixes.

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. Receive notification of the failure.
2. Gather data needed for decision to implement the contingency.
3. Communicate failure and decision to senior management of ED and ED's LC COTR.
4. Initial screening, sorting and batching of applications will continue in the mailroom as usual. After the applications are batched, instead of being imaged or data entered at this time, they will be forwarded in batches to the Exam Entry function. Verification certificates will be manually prepared.

2 ## High Level Schedule:

ID	Task Name	Day						
		1	2	3	4	5	6	7
1	System is monitored.	■■■■						
2	System fix is attempted.			■■■■■■ LCC				
3	Preparations of community notification.	■■■						
4	Implement contingency.						■■ LCC	

Testing Plan

Not applicable, this contingency is based on current manual procedures.

PRELIMINARY-DRAFT

ED will obtain loan balance data from the National Student Loan Data System (NSLDS) or the Direct Loan Servicing System (DLSS) to process Consolidation Loans (II.g.1)

Failure Title: Direct Loan Consolidation does not receive verification certificates

Contingency Title: ED will obtain loan balance data from NSLDS or DLSS to process consolidation loans

Contingency Description: If loan holders are unable to send completed verification certification requests to Loan Consolidation, ED will obtain loan balance information from NSLDS or DLSS.

1 ## Business Owner:

Team Leader, Direct Consolidation Loan Team, Team Leader
Direct Consolidation Loan Team, Direct Loan Task Force
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 5626
Washington, D C 20202-5404
.
In consultation with EDS, it's vendor for Direct Consolidation Loan processing:

Account Manager, Loan Consolidation Center (LCC), EDS

2 Prerequisites:

1. Each key decision-maker in the ED/Direct Lending program and the EDS management structure will obtain a copy of the current EDS/Loan Origination System (LOS) disaster recovery plan. This plan contains the detailed information needed to plan for continuity of business operations in the event of a disruption in business operations.
2. ED and Loan Origination Center (LOC) staff will obtain access to current EDS operating procedures that govern system backups and inventory control.
3. ED and LOC staff will obtain current EDS manual procedures that define system and user processes/procedures.
4. LOC staff will obtain access to NSLDS and the Direct Loan Servicing System.
5. In the event that a loan holder is unable to provide verification certificates, ED may not enforce the requirement under §685.215(f) that the holder submit certificates within 10 days.
6. A letter will be drafted to inform loan holders that the pay-offs they are receiving are based on latest available information

3 Zero-Day Strategy:

To minimize the potential of data anomalies and possible data conversions, a detailed schedule will be developed to ensure that the outstanding certification requests be reduced to a minimum by December 31, 1999. ED and EDS should work with the lender community to encourage them to expedite all certification requests that are initiated in December.

4 Trigger Criteria:

Loan Consolidation does not receive completed certifications from specific loan holders (including DLSS) within 14 days or a loan holder informs the LOC that it cannot provide pay-off information.

System Monitoring:

ED monitors system performance daily through cycle and production reports that are distributed and discussed in a daily 9AM conference call. This daily review provides for early identification of issues that may interrupt business operations if not resolved on a timely basis.

In addition there are daily conferences between the LCC's Certification Team and ED's LC Lender Liaison and ED's LC Operations Liaison, Montgomery concerning loan holders' responses to request for pay-off information.

Key Contacts:

ED LC Systems Team Lead, Washington, D.C.
ED Production Ballston, VA
ED LC Lender Relations
ED LC Operations Liaison, Montgomery, AL
EDS LC Production Support Manager, Louisville KY
EDS LCC Assistant Operations Manager, Montgomery AL

Response Procedure:

.
EDS LCC Assistant Operations Manager in Montgomery, AL, will contact EDS LCC Operations Manager, Montgomery, EDS LCC Account Manager, and ED LC Operations Liaison, Montgomery and ED LC Lender Relations and ED LC Production staff

ED LC Lender Relations will notify:

1. ED LC Team Lead
2. ED Acting Director of Direct loan Task Force
3. Ed Direct Loan Servicing Systems Division Director

Event Monitoring:

Independent Quality Control Unit (IQCU) personnel will work with ED and EDS staff to continually monitor progress toward issue resolution, including a walk-through of all issue identification and resolution discussions. They will validate resolution of any failure and simultaneously report to ED and EDS the status of the resolution. IQCU will confirm that the contingency is no longer needed when the LOC is able to verification certificates from loan holders that properly reflect borrower loan activity.

Key Contact:

Quality Control Manager (IQCU), PriceWaterhouseCoopers, Montgomery, AL

Failure Tolerance Threshold:

One business day following the determination of failure.

Implementation Timeframe:

Depending on the extent of impact, the contingency can be implemented in one day based on current operating procedures.

Go No-Go Decision Point:

ED and EDS will evaluate the extent of the impact, and ED will implement this contingency beginning the day after being notified of the failure.

Notification Procedures:

If the failure is widespread, ED's Loan Consolidation Team Lead, Team Leader, Direct Consolidation Loan Team, will draft a Customer Service Bulletin to be posted to the ED's Web page (IFAP), and the appropriate customer list serves to inform the community that the contingency has

been implemented. She will also approve VRU messages that are drafted by LCC staff to assist customer service representatives at ED or the LCC in responding to inquiries from applicants.

If the failure is limited in scope, affected loan holders will be notified so that they will be prepared to adjust the pay-off amounts at a later time.

Information will also be provided to:

- Director of Client Account Managers to ED Director, Training and Program Information Division, for use by the Public Inquiry Contractor (PIC).

- IQCU will be notified to begin monitoring the temporary process.

Business Resumption Team

1 # Business Resumption Team

Team Leader, Direct Consolidation Loan Team, ED LC Team Lead

ED LC Operations/Customer Service Team Lead

ED LC Lender Relations

ED LC Operations Liaison, Montgomery, AL

ED LC Systems Team Lead

EDS LCC Operations Manager

EDS LCC Assistant Operations Manager

2 # Roles and Responsibilities:

Team Leader, Direct Consolidation Loan Team/Business Owner, manages the overall activities of ED staff with respect to the Direct Consolidation Loan program and communicates to upper ED management through the Acting Director of the Direct Loan Task Force.

Team Leader ED Operations reviews and advises on all operations matters and interactions with customers. Assists Team Lead.

ED LC Systems Team Leader is responsible for system and production issues, monitors that Direct Loan pay-off balances are flowing to the LCC.

ED LC Lender Relations assists and advises the LCC certification team on obtaining loan holder information; monitors loan holder issues for the LC Team.

ED LC Operations Liaison advises and assist the contractor on day-to-day issues. Monitors customer service performance.

EDS LCC Operations Manager manages day-to-day operations of the LCC Montgomery LCC site, including customer service issues.

EDS LCC Assistant Operations Manager supervises the LCC certification team, which has responsibility for obtaining loan holder information.

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. Business Owner receives notification of a failure.
2. Upon authorization from the Business Owner, the Certification Team at the LOC will begin accessing NSLDS and/or DLSS for pay-off information and creation of manual certifications.
3. When notified system is repaired, LOC will terminate accessing NSLDS and DLSS and resume processing with verification certificates.

2 ## High Level Schedule:

ID	Task Name	Week1	Week 2	Week3
1	Receive notification		ED	
2	Make assessment		ED	
3	LCC staff access NSLDS Or DLSS			LCC

Testing Plan

Not applicable, this contingency is based on current manual procedures.

PRELIMINARY-DRAFT

Contingency: NSLDS will re-send the December 1999 SSCR; ED will allow loan holders to rely on most recent information
(III.a.2)

Failure Title: An enrollment-reporting partner cannot receive, process, or report loan borrower information Contingency: Re-send December 1999 SSCR; allow loan holders to rely on most recent information

Contingency Description: NSLDS will resend the December 1999 SSCR for schools to update if NSLDS cannot generate the January 31,2000, SSCR or any subsequent monthly report. Loan holders may place borrowers in repayment based on most recent information and may update that information based on a borrower's assertion of current enrollment status.

1 Business Owner:

Director, National Student Loan Data Systems (NSLDS) Division
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, D C 20202

2 Prerequisites:

The activities listed below are actions required to prepare for the implementation of this contingency plan.

19. NSLDS issues a Request for Proposal (RFP) to Raytheon, Inc. (Raytheon) to modify the system in order to run a backup copy of the Student Status Confirmation Reports (SSCR) for all schools on December 31, 1999.
20. NSLDS Division will review the response to the RFP to obtain cost and scope of work estimates.
21. NSLDS will write the Task Order to modify the system to run a backup copy of SSCRs for all schools on December 31, 1999.
22. NSLDS will simultaneously obtain the funding authorization for the costs of the system modification.
23. NSLDS Division awards the Task Order to Raytheon.
24. Raytheon begins work under the Task Order with a completion date scheduled to be on or before September 30, 1999.
25. Raytheon modifies and tests the system according to the Task Order specifications and the timelines established by NSLDS Division.
26. Raytheon prepares the documentation and notifications to be sent to the Student Financial Assistance (SFA) community, e.g., NASFAA, NCHELP, SALSA, Career College Association (CCA), internal Education (specifically Chief Program Information Branch), Information for Financial Aid Professionals (IFAP), and One Dupont Circle associations. ED approves documentation and notifications.
27. Run and transmit the November roster for all schools and do a backup.
28. Run the December rosters for schools that chose a December roster.
29. Run the January rosters on approximately December 29, 1999, for those schools that chose a January roster.
30. Run rosters for all schools on December 30,1999, and do a backup. (This set would not be placed in a database. It would be stored offline for use if needed.)
31. Raytheon renames the error file that is generated from Cycle 13[2] referenced in step 9.
32. ED will notify enrollment partners of the steps they need to take if they are unable to send or receive Student Status Confirmation Reports (SSCR).
33. ED will notify enrollment partners of any regulations that would not be enforced if the contingency plan were implemented.

3 Zero-Day Strategy:

---

[2] Cycle 13 is an Adhoc SSCR cycle

Not applicable.

<table>
<tr><td>**4**</td><td></td></tr>
</table>

Trigger Criteria:

NSLDS is unable to send new rosters to schools on February 1, 2000.

System Monitoring:

The Configuration Manager and the QA/QC staffs' reviews of the systems will be ongoing and include the following activities.

1. Raytheon (Meriden, CT) computer operators monitor the system on an ongoing basis. The monitoring entails screen review for batch processing and review of the systems operation reports. (Meriden, CT & Falls Church, VA)
2. Raytheon's DB2 Administrator monitors the system on an ongoing basis. The monitoring entails screen review for batch processing and review of the systems output. (Falls Church, VA)
3. Raytheon (Meriden, CT) reviews the batch jobs sent to the Title IV Wide Area Network (TIV WAN) daily by monitoring screens and system generated report. (Meriden, CT & Falls Church, VA)

Response Procedure:

The following is a list of procedures to follow to notify Education of the system failure.

6. Depending upon the point in the process that the failure is determined, the Operations Liaison Manager will notify Director, National Student Loan Data Systems Division, the Configuration Manager, and Raytheon's QA/QC.
7. Director, National Student Loan Data Systems Division, will notify the Program System Services Director (Jerry Russomano), Lead SSCR Analyst and Education's NSLDS Division staff of the failure.
8. The Operations Systems Manager will validate the system repair plan with the Configuration Manager and QA/QC staff.
9. The Configuration Manger will request authorization to implement the system repair from Director, National Student Loan Data Systems Division.
10. The Configuration Manger will advise the DB2 Administrator to implement the system repair.

Event Monitoring:

The following is a list of activities that will be performed by the Configuration Manager and the QA/QC staff to monitor the progress of the system repair:

7. The Operations Liaison Manager, Configuration Manager, and QA/QC staff will review system output daily.
8. The Operations Liaison Manager, Configuration Manager, and QA/QC staff will confer with Raytheon in Meriden, CT, for progress updates daily.
9. The Operations Liaison Manager, Configuration Manager, and QA/QC staff will review the system modification, as appropriate, on a daily basis.

Failure Tolerance Threshold:

U. S. Department of Education (Education) has defined the Failure Tolerance Threshold for this process to be one day. If the system is unable to send SSCRs on February 1, 2000, the contingency plan will be implemented.

Implementation Timeframe:

Once the failure has been determined, the contingency plan can be implemented immediately, e.g., within 24 hours.

Go No-Go Decision Point:

A decision to implement the contingency plan will occur on January 31, 2000.

Notification Procedures:

Once the failure has been determined, ED will perform the following actions to communicate the failure to the SFA community.

1. Director, National Student Loan Data Systems Division will notify the ED Customer Service – PIC (Chief, Program Information Branch) that the contingency plan is being implemented.
2. Lead SSCR Analyst will provide Customer Service with materials from Raytheon regarding the contingency plan implementation.

3. Customer Service will use the information provided by Raytheon to communicate the failure and contingency plan to the SFA community.

Business Resumption Team

| 1 | # Business Resumption Team |

This is a list of the Business Resumption Team members and their respective contact information.

Director, National Student Loan Data Systems Division
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, DC 20202

Systems Manager
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, DC 20202.

Lead SSCR Analyst
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, DC 20202

Director
Program Systems Service
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4640
Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3,
Washington, DC 20202

Configuration Manager
Raytheon, Inc.
7700 Arlington, VA 22042

QA/QC Manager
Raytheon, Inc.
7700 Arlington Blvd
Falls Church,VA 22942

Raytheon Liaison Manager
Raytheon, Inc.

7700 Arlington Blvd
Falls Church, VA 22042

DB2 Administrator
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

Developer
Raytheon, Inc.
7700 Arlington, VA 22042

Computer Operator
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

Computer Operator
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450

2 Roles and Responsibilities:

Director, National Student Loan Data Systems Division Business Owner,

Department of Education manages the overall activities associated with implementing the contingency plan and has the authority to commit Education resources. The Director also has the following responsibilities:

- Determine that a system failure has occurred.
- Authorize the initiation of the contingency plan implementation.
- Authorize the implementation of the system repair.

Systems Manager, NSLDS, Department of Education, monitors the implementation of the contingency plan and the system repair. The Systems Manage for NSLDS also has the following responsibilities:

- Notify CSC (Meriden, CT) of the system failure.
- Monitor the contingency plan implementation.
- Monitor the progress of the system repair.
- Advise the Business Owner of the progress of the system repair.

Lead SSCR Analyst, Department of Education, is responsible for notifying Education's Customer Service Manger of the system failure and the implementation of the contingency plan. The Lead SSCR Analyst also has the following responsibilities:

- Provide the Chief, Program Information Branch, the materials prepared by Raytheon to communicate to the SFA community.
- Monitor the implementation of the contingency plan.
- Direct NSLDS Customer Service (Greenville, TX) regarding inquires on the implementation of the contingency plan.
- Monitor the progress of the system repair.

Configuration Manager, Raytheon, **is responsible for notifying the Business Owner of the system failure. The Configuration Manager also has the responsibility of coordinating the activities of Raytheon and CSC as defined in the Task Order.**

Developer,Raytheon, **is responsible for modifying program code and testing for implementation of the contingency and the repair of the system failure*.***

QA/QC Manager (Subcontractor to Raytheon), **is responsible for coordinating the activities of the developer and also has the following responsibilities:**

- Validating the system code modified for the contingency plan and the system repair.
- Updating Education and the Configuration Manager on the results of the validation of the code modification.

DB2 Administrator, Raytheon, **is responsible for executing the modified code for the contingency plan and the system repair and also has the responsibility of notifying Education and the Configuration Manger of the execution of the modified code.**

Operations Manger, CSC, **is responsible for monitoring mainframe activities, contingency plan implementation and the system repair.**

Raytheon Liaison Manager interfaces between Raytheon's application staff and CSC Operations.

Business Resumption Priorities

1 Sequence of Required Activities:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

25. NSLDS Division notifies ED Customer Service that the contingency plan will be implemented.

26. Customer Service will notify the SFA community and internal Education staff of the contingency plan implementation.
27. Raytheon (Falls Church, VA) will notify the Raytheon Customer Service in Greenville, TX, of the implementation of the contingency plan.
28. System Manager for NSLDS will notify CSC in Meriden, CT, of the implementation of the contingency plan.
29. Raytheon will restore the SSCR file from the backup copy made from the December 1999 run.
30. Raytheon will retransmit the files to the Title IV WAN. In the event that the Title IV WAN is running under a contingency plan and is unable to distribute the files to the appropriate school mailboxes, ED will grant all affected schools a waiver of requirement for returning SSCR file within 30 days.
31. The latest available copy of SSCRs will only be sent to schools until the system failure is corrected and NSLDS is able to generate and send SSCRs successfully.

2 High Level Schedule:

ID	Task Name	Q1 March	May	Q2 July	Q3 September	November	Q4 January	Q5 March	May	Q6 July	Q7 September
1	NSLDS issues an RFP to Raytheon to modify system to run a backup copy of the SSCR for all schools on December 31, 1999	▓▓									
2	NSLDS writes the Task Order to perform the work specified in the RFP		▓								
3	NSLDS simultaneously obtains the funding authorization for the work to be performed under the Task Order		▓								
4	NSLDS awards the Task Order		◆								
5	Raytheon modifies and tests the system according to the specifications defined in the Task Order			▓▓▓▓							
6	Raytheon prepares the documentation and notification information for the system modification				▓						
7	Raytheon runs the backup SSCR for all schools						◆				
8	NSLDS Division notifies Mike High - PIC that the Contingency Plan is being implemented						⌐				
9	Raytheon implements the Contingency Plan						◆				

Testing Plan

1 Test Objectives:

The plan will test three objectives:

5. Verification that all schools in Cycle 13 table file are included on the backup file for the SSCR generation[3].
6. Verification that P177 is backed up in its entirety.
7. Verification that P177 is able to be restored from the backup file.

2 Test Approach:

The test methodology will include the following activities:

1. Raytheon will determine the number schools in Cycle 13 by running a query against the cycle table.
2. Cycle 13 will be populated with the schools from the cycle table.
3. A report will be generated to identify the schools that are in the error file.
4. A report will be generated to verify that all the schools are loaded to Cycle 13 and backed up. The error file will be copied to a different file name for comparison to the error file generated from the Cycle 13, cycle table load.
5. A report will be generated to verify that Cycle 13 is recovered.

3 Required Resources:

The execution of the test will require the following resources:

1. Developer at Raytheon (Falls Church, VA)
2. Computer Operators – Meriden, CT (will secure the required resources at time of testing.)
3. DASD in the UA test environment (Meriden, CT)
4. Communication line (Raytheon, Falls Church, VA)
5. PC or dumb terminal
6. Working tape drive

4 Personnel:

Director, National Student Loan Data Systems Division
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, DC 20202.

Systems Manager
U. S. Department of Education
7th and D Streets, SW

---

[3] The program name for this process is Generate SSCR Distribution (P177). This program will be referred to as P177.

ROB 3, Room 4020
Washington, DC 20202.

Lead SSCR Analyst
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4020
Washington, DC 20202.

Director
Program Systems Service
U. S. Department of Education
7th and D Streets, SW
ROB 3, Room 4640
Washington, DC 20202

Chief, Program Information Branch
U. S. Department of Education
7th and D Streets, SW
ROB 3,
Washington, DC 20202.

Configuration Manager
Raytheon, Inc.
7700 Arlington, VA 22042.

QA/QC Manager
Raytheon, Inc.
7700 Arlington Blvd
Falls Church,VA 22942.

Raytheon Liaison Manager
Raytheon, Inc.
7700 Arlington Blvd
Falls Church, VA 22042.

DB2 Administrator
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

Developer
Raytheon, Inc.
7700 Arlington, VA 22042.

 Computer Operator-- Meriden, CT
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

Computer Operator
CSC – Meriden
71 Deerfield Lane
Meriden, CT 06450.

5	# Schedules and Locations:

The test schedule for the contingency plan will occur between May and October 1999. The location and the extent of the testing will be based on decisions that have not been made by government. Regardless of those decisions, the testing location(s) will include CSC – Meriden, CT, Raytheon – Falls Church, VA, and Raytheon's Hot-site – Plano, TX. As part of the contingency plan, the table below outlines the mitigation risk activities that will be performed to support the contingency plan implementation.

1. On November 1, 1999, run back up of Cycle 13, cycle table schools SSCRs will take place at the above noted locations.

2. On December 31, 1999, or the latest date possible, run backup of DB2 will take place at the above noted locations

3. On December 31, 1999, or the latest date possible following the backup of the DB2, run backup of Cycle 13, cycle table schools SSCRs will take place at the above noted locations.

6	# Test Procedures:

Exercise business resumption priorities in sequence.

7	# Expected Results and Exit Criteria:

The test will be considered successful when three actions are complete.

1. All schools are on the Cycle 13 file and the error file has been copied to another file name successfully.
2. Program P177 has been backed up successfully.
3. Program P177 and the error file have been recovered successfully.

PRELIMINARY-DRAFT

ED will process 799s
manually
(IV.a.2)

Failure Title: The FFEL system cannot process 799s from lenders Contingency Title: Manually process 799s

Contingency Description: ED will process 799s manually.

1 ## Business Owner:

Designated Financial Management Specialist, Business Owner

External Liaison for the 799 report

2 ## Prerequisites:

1. Develop a procedure to send copies of 799s to ED.
2. Develop a spreadsheet application for processing the 799.
3. Provide end-user training for the newly developed application.
4. Develop backup and quality control procedures for the spreadsheets, data and reports.
5. Define manual production reports.
6. Define procedures to transmit data to the Office of Chief Financial Officer (OCFO).

3 ## Zero-Day Strategy:

No zero day strategy has been identified for this process

4 # Trigger Criteria:

Generally, the triggers for implementation of this contingency are internal to the department and would not involve field reports of errors.

System Monitoring:

ED will monitor 799 processing to determine if there are unexplained reconciling problems with the FFEL system.

Response Procedure:

In the case of a detected error, the designated Program Systems Service Y2K systems coordinator will notify the designated Financial Management Specialist.

Event Monitoring:

The External Liaison for the 799 report will monitor 799s logged into the system vs. processed and report discrepancies to the designated Financial Management Specialist (Business Owner).

Failure Tolerance Threshold:

The failure tolerance threshold for this process is 30 days for the top 100 lenders and 60 days for all other lenders.

Implementation Timeframe:

The timeframe required to implement this contingency is 21 calendar days.

Go No-Go Decision Point:

The go no go decision point for this contingency is day 9 of the failure for the top 100 lenders and day 39 of the failure for all other lenders.

Notification Procedures:

1. The External Liaison for the 799 report is responsible for notifying lenders.
2. Designated Financial Management Specialist (Business Owner) is responsible for notifying SLPC.
3. A designated Financial Management Specialist is responsible for posting information on the EDWeb site.

Business Resumption Team

1   <u>Business Resumption Team:</u>

Financial Management Specialist, Business Process Owner

External Liaison for the 799 Report

8 designated Financial Management Specialists

2   <u>Roles and Responsibilities:</u>

Designated Financial Management Specialist, Form 799 Business Owner

External Liaison for the 799 Report, External liaison for the 799 report

8 designated Financial Management Specialists who are 799 Processors

Business Resumption Priorities

1   <u>Sequence of Required Activities:</u>

1. Current data already resident on the system will be downloaded to a spreadsheet.
2. The External Liaison for the 799 Report will assure that the 799s that are in process are moved to manual processing.
3. Processors will review 799s for errors or missing data.
4. Processors will return 799s that need changes by the lenders.
5. Processors will data enter information from the 799 into the automated spreadsheet.
6. Processors will verify Information entered in the spreadsheet against the 799.
7. Produce the calculation needed to create a payment.
8. A designated Financial Management Specialist will produce production and OCFO report for monitoring the process and requesting payment.
9. A designated Financial Management Specialist will produce quality control disk and backup disk for the OCFO.
10. A designated Financial Management Specialist will carry disk from ROB 3 to FOB 6.
11. The External Liaison for the 799 Report will enter the OCFO confirmation date on the spreadsheet.
12. The External Liaison for the 799 Report will enter payment confirmation on the spreadsheet.
13. A designated Financial Management Specialist will receive confirmation from the OCFO that treasury has made payment.
14. Designated Financial Management Specialist will notify SLPC to enter 799s that have not been entered during the failure.
15. Designated Financial Management Specialist will produce a report that reconciles ED form 799.
16. Designated Financial Management Specialist will notify IT when automated payment files to OCFO may resume.

2   <u>High Level Schedule:</u>

ID	Task Name	Week 1	Week 2	Week 3	Week 4
1	Process Incomplete 799s	▨ External Liaison for the 799 Report			
2	Review 799s	▨			
3	Return incorrect 799s to lenders	▨			
4	Enter 799 data to spreadsheets	▨			
5	Spreadsheet information to be verified against 799	▨			
6	Produce the calculation needed to cut a check	▨			
7	Produce production and OCFO reports	▨			
8	Produce OCFO reports and back up disks		V Designated Financial Management Specialist		
9	Carry disk from ROB-3 to ROB-6		▨ V Designated Financial Management Specialist		
10	Add OCFO certification data to the spreadsheet		▨ V A designated Financial Management Specialist		
11	Enter payment confirmation information on the spreadsheet		▨ V A designated Financial Management Specialist		
12	Enter 799s received during the failure		▨ V External Liaison for the 799 Report		
13	Reconcile totals, produce reports		▨ V Designated Financial Management Specialist		
14	Notify IT as to when auto payment files can resume		▨ Designated Financial Management Specialist		

Testing Plan

1 <u>Test Objectives</u>:

To assure that the manual process produces the same calculation as the current automated system. In addition, that the payment file format is accepted by OCFO system.

2 <u>Test Approach</u>:

ED will perform a walk-through of the manual processes, process a 799 manually and compare it to the automated result.
.

3 <u>Required Resources:</u>

No special resources are required.

4 <u>Personnel:</u>

Financial Management Specialist, Business Process Owner

External Liaison for the 799 Report

8 designated Financial Management Specialists

5   <u>Schedules and Locations</u>

Regional Office Building (ROB) 3 & Federal Office Building (FOB) 6

6   <u>Test Procedures:</u>

Execute the business resumption priorities in sequence.

7   <u>Expected Results and Exit Criteria:</u>

The test is complete when the file is produced by manual process and sent to OCFO produces the same results as FFEL system processing.

PRELIMINARY-DRAFT

ED will process 1130s manually (IV.b.2.i)

Failure Title: FFEL system cannot process 1130s
Contingency Title: Manually process 1130s

Contingency Description: ED will process 1130s from guaranty agencies manually.

1 <u>Business Owner</u>:

Financial Management Specialist

External liaison for the 1130 form
Financial Management Specialist

2 <u>Prerequisites</u>:

1. Develop procedures for SLPC to forward copies of the 1130s to AFMS.

2. Develop an EXCEL spreadsheet or ACCESS database application to calculate 1130 data.

3. Train staff on the newly developed application.

4. Develop quality control procedures for entering 1130 data onto the application and procedures for backing-up that data.

5. Develop reports to monitor manual processing.

3 **o-Day Strategy:**

None

4 Trigger Criteria:

Generally, the triggers for implementation of this contingency are internal to the department and would not involve field reports of errors.

System Monitoring:

ED will monitor the GAF003 (the statement of accounts) to determine if there are unexplained reconciling problems with the FFEL system.

Response Procedure:

GAF would notify Sandra Simmons that there are unexplained errors in the GAF003 reports from the FFEL system. In the case of an IT-detected error, the PSS Y2K systems coordinator will notify the Business Owner.

Event Monitoring:

GAF team will monitor 1130s logged into the system vs. processed and report discrepancies to Business Owner.

Failure Tolerance Threshold:

The failure tolerance threshold is 180 days.

Implementation Timeframe:

The implementation time frame is 21 days.

Go No-Go Decision Point:

The no-go decision point is 159 days after failure.

Notification Procedures:

GAF Team Financial Management Specialist will notify Guaranty Agencies.

The Business Owner will notify the SLPC

A designated Financial Management Specialist will be responsible for information to be posted to the WEB.

Business Resumption Team

1 | Business Resumption Team:

Business Process Owner

Financial Management Specialist, External Liaison

8 designated Financial Management Specialists

2 | Roles and Responsibilities:

Form 1130 Business Owner
External liaison for the 1130 report
9 designated 1130 processors (Financial Management Specialists)

Business Resumption Priorities

1 | Sequence of Required Activities:

1. Assure that the 1130s that are in process are moved to manual processing.
2. Assure that copies of 1130s are received from the SLPC.
3. Review 1130s for errors or missing data.
4. Return 1130s that need changes by the guaranty agencies.
5. Enter data information from the 1130 into the automated spreadsheet.
6. Verify information entered into the spreadsheet against the 1130.
7. Produce the calculation needed to cut a check for calculation of fees.
8. Notify SLPC to enter 1130s that have not been entered during the failure.
9. Produce reports and reconcile automated totals to manual totals.

2 | High Level Schedule:
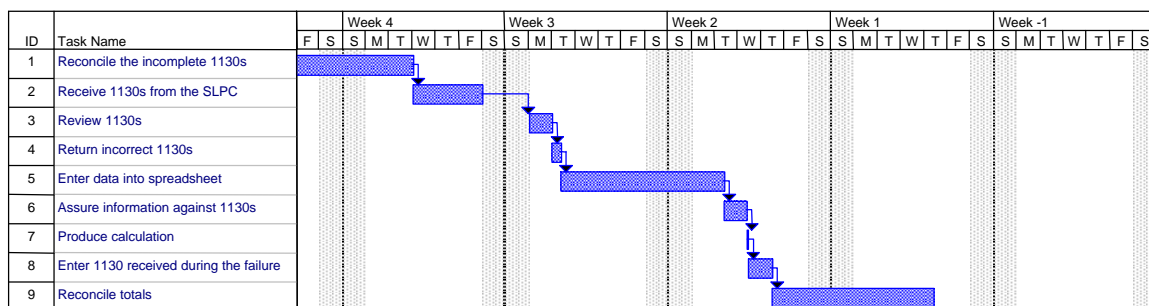
ID	Task Name	Week 4	Week 3	Week 2	Week 1	Week -1
1	Reconcile the incomplete 1130s					
2	Receive 1130s from the SLPC					
3	Review 1130s					
4	Return incorrect 1130s					
5	Enter data into spreadsheet					
6	Assure information against 1130s					
7	Produce calculation					
8	Enter 1130 received during the failure					
9	Reconcile totals					

Test Plan

1 # Test Objectives:

To assure that the manual process produces the same calculation as the current automated system. In addition, that the payment file format is accepted by OCFO system.

2 # Test Approach:

Walk-through the manual processes, process an 1130 manually and compare it to the automated result.

3 # Required Resources:

None.

4 # Personnel:

Business Process Owner

External Liaison

9 designated Financial Management Specialists

5 # Schedules and Locations:

Regional Office Building (ROB) 3 & Federal Office Building (FOB) 6

6 # Test Procedures:

Execute the business resumption priorities in sequence.

7 # Expected Results and Exit Criteria:

File produced by manual process produces the same results as the automated system.

PRELIMINARY-DRAFT

The FFEL system cannot process 1189s from guaranty agencies (IV.b.2.)

Failure Title: The FFEL system cannot process 1189s from guaranty agencies
Contingency Title: Manually process 1189s

Contingency Description: The FFEL system cannot process 1189s from guaranty agencies.

1 | Business Owner:

Financial Management Specialist

External liaison for the 1189 form
Financial Management Specialist

2 | Prerequisites:

1. The procedure to send copies of 1189s to ED requires SLPC notification of rerouting.
2. The development of a spreadsheet application for 1189 requires an Excel spreadsheet or Access database for the calculation of 1189 data.
3. To provide end-user training for the newly developed application requires training class and manuals for end-user.
4. The development of backup and quality control procedures for the spreadsheets, data and reports requires data assurance and quality procedures for spreadsheets and reports.
5. The definition of manual production reports requires normal and special reports to monitor the interim manual process.
6. The procedures to transmit data to the Office of the Chief Financial Officers (OCFO) requires disk to OCFO/ procedures for confirmation of OCFO receipt of data from Accounting and Financial Management Service (AFMS).

3 o-Day Strategy: None

4 Trigger Criteria:

Generally, the triggers for implementation of this contingency are internal to the department and would not involve field reports of errors.

System Monitoring:

ED will monitor the GAF (the statement of accounts) to determine if there are unexplained reconciling problems with the FFEL system.

Response Procedure:

GAF Team would notify the Business Owner (Financial Management Specialist for Form 1189) that there are unexplained errors in the GAF reports from the FFEL system.   In the case of an IT-detected problem, the Y2K systems coordinator will notify the Sandra Simmons.

Event Monitoring:

A designated Financial Management Specialist will monitor 1189s logged into the system vs. processed and report discrepancies to the Business Owner.

Failure Tolerance Threshold:

The failure tolerance threshold is 60 days.

Implementation Timeframe:

The implementation timeframe is 21 days.

Go No-Go Decision Point:

The go no-go decision point is day 39 of failure.

Notification Procedures:

A designated Financial Management Specialist will notify guaranty agencies. The Business Owner will notify SLPC. Another designated Financial Management Specialist will have information posted to the Web.

Business Resumption Team

1 ## Business Resumption Team:

Financial Management Specialist, Business Process Owner

Financial Management Specialist, External Liaison

10 designated Financial Management Specialists

2 ## Roles and Responsibilities:

Form 1189 Business Owner
External liaison for the 1189 report
10 designated 1189 Processors (Financial Management Specialists)

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. Assure that the 1189s that are in process are moved to manual processing.
2. Assure that copies of 1189s are received from the SLPC.
3. Review 1189s for errors or missing data.
4. Return 1189s that need changes by the guaranty agencies.
5. Enter data information from the 1189 into the automated spreadsheet.
6. Information entered into the spreadsheet will be verified against the 1189.
7. Produce the calculation needed to cut a check.
8. Produce production and OCFO reports for monitoring the process and requesting payment.
9. Produce and quality control disk and backup disk for the OCFO.
10. Carry disk from ROB 3 to FOB 6.
11. Enter the OCFO confirmation date on the spreadsheet.
12. Receive confirmation form the OCFO that treasury has made payment.
13. Enter payment confirmation on the spreadsheet.
14. Notify SLPC to enter 1189s that have not been entered during the failure.
15. Produce report and reconcile automated totals to manual totals.
16. Notify IT when automated payment files to OCFO may resume.

2 ## High Level Schedule:

ID	Task Name	Week 5	Week 4	Week 3	Week 2	We
1	Assure that 1189s are moved to manual process					
2	Receive 1189s from the SPLC					
3	Review 1189s for errors or missing data					
4	Return 1189s in need of revision to Gas					
5	Enter information form the 1189s into the spreadsheet					
6	Verify spreadsheet information against 1189s					
7	Produce a calculation needed to cut check					
8	Produce production and OCFO reports for monitoring the process	uesting payment				
9	Produce OCFO disk and bacup disk					
10	Carry information to FOB-6					
11	Enter OCFO confirmation date on the spreadsheet					
12	Received payment confirmation on the spreadsheet					
13	Notify SLPC to enter 1189s that have not been entered during the					
14	Produce report and reconcile automate and manual totals					
15	Notify IT					

Testing Plan

1 <u>Test Objectives:</u> To assure that the manual process produces the same calculation as the current automated system. In addition, that the payment file format is accepted by OCFO system.

2 <u>Test Approach:</u> walk-through the manual processes, process an 1189 manually and compare it to the automated result.

3 <u>Required Resources:</u> None.

4 <u>Personnel:</u>

Financial Management Specialist, Business Process Owner

Financial Management Specialist, External Liaison

10 designated Financial Management Specialists

5 <u>Schedules and Locations:</u>
Regional Office Building (ROB 3) & Federal Office Building (FOB) 6

6 <u>Test Procedures:</u>
Exercise business resumption priorities in sequence.

7 <u>Expected Results and Exit Criteria:</u>
File to OCFO produced by manual process produces the same results as the automated system.

PRELIMINARY-DRAFT

ED may pay guaranty agencies based on historical data (IV.c.1.)

> *Failure Title: Guaranty agencies cannot produce 1189s*
> *Contingency Title: Pay guaranty agencies based on historical data*

> **Contingency Description: ED may pay guaranty agencies based on historical data if a guaranty agency cannot submit an approved claim.**

1 ## Business Owner:

Director, Guarantor and Lender Oversight Service (GLOS)

Financial Management Specialist

External liaison for the 1189 Form

Financial Management Specialist

2 ## Prerequisites:

7. Develop procedures to inform guaranty agencies about requesting payments on historic information.
8. Development a spreadsheet or database application to calculate 1189 data.
9. Provide end-user training for the newly-developed application.
10. Develop backup and quality control procedures for the spreadsheets, data, and reports.
11. Develop normal and special reports to monitor the interim manual process.
12. Develop procedures to confirm Office of the Chief Financial Officer (OCFO) has received data from Accounting and Financial Management Service.

3 ## o-Day Strategy:

None

4 ## Trigger Criteria:

Generally, the triggers for implementation of this contingency are external to the department and rely entirely on the reports of guaranty agencies.

System Monitoring:

None.

Response Procedure:

None.

Event Monitoring:

None.

Failure Tolerance Threshold:

The failure tolerance threshold is 60 days.

Implementation Timeframe:

The implementation timeframe is 21 days.

Go No-Go Decision Point:

The go no-go decision point is day 39 of failure.

Notification Procedures:

No external source will be notified if a guaranty agency cannot produce an 1189.

1 <u>Business Resumption Team:</u>

Financial Management Specialist, Business Process Owner

Financial Management Specialist, External Liaison

Nine designated Financial Management Specialist

Accountant

2 <u>Roles and Responsibilities:</u>

Director, Guarantor and Lender Oversight Service (GLOS), Business Owner
Form 1189 Business Owner
External liaison for the 1189 report
9 designated 1189 processors

Business Resumption Priorities

1 <u>Sequence of Required Activities:</u>

1. When GLOS is notified by a guaranty agency that it cannot produce an 1189, GLOS will review and assess whether the payment should be made.
2. GLOS will notify Form 1189 business owner that a payment should be made.
3. Assure that copies of historical data are entered into a spreadsheet that detail net payments by month and GA.
4. Produce the calculation needed to cut a check.
5. Produce production and OCFO reports for monitoring the process and requesting payment.
6. Produce and quality control disk and backup disk for the OCFO.
7. Carry disk from ROB 3 to FOB 6.
8. Enter the OCFO confirmation date on the spreadsheet.
9. Receive confirmation form the OCFO that treasury has made payment.
10. Enter payment confirmation on the spreadsheet.

2 <u>High Level Schedule:</u>

ID	Task Name
1	Guaranty agency requests historic payment & GLOS approves
2	Copies of historic 1189 are entered into spreadsheet
3	Produce calculation needed to cut a check
4	Produce production and OCFO reports for monitoring process and requesting payment
5	Criteria for payment (Government needs to determine)
6	Produce OCFO disk
7	Carry disk from ROB3 to ROB6
8	Add certification date from OCFO
9	Receive OCFO confirmation that treasury has made payment
10	Enter confirmation on spreadsheet

Testing Plan

1 # Test Objective:

To assure that the manual process produces payment transactions in a payment file format that is accepted by the OCFO system.

2 # Test Approach:

Walk-through the manual processes, process an 1189 manually and compare it to the automated result.

3 # Required Resources:

None.

4 # Personnel:

Financial Management Specialist, Business Process Owner

Financial Management Specialist, External Liaison

9 designated Financial Management Specialists

Accountant

5 # Schedules and Locations:

Regional Office Building 3 & Federal Office Building 6

6 # Test Procedures:

Exercise business resumption in priorities sequence.

7 # Expected Results and Exit Criteria:

File to OCFO produced by manual process produces the same results as the automated system.

PRELIMINARY-DRAFT

ED will bill borrowers based on December 1999 loan information (V.a.1)

Failure Title: Direct Loan Servicing System (DLSS) or Debt Collection Service (DCS) cannot produce bills or send them to borrowers
Contingency Title: ED will bill borrowers on December 1999

Contingency Description:
Bill borrowers based on the December 1999 loan information until systems are restored.

1 ## Business Owner:

DLSS	DCS
Division Director	Director
Direct Loan Servicing System	Debt Collection Service
US Department of Education	US Department of Education
7th and D Streets, SW	7th and D Streets, SW
ROB-3, Room 4025	ROB-3, Room 5114
Washington DC 20202	Washington DC 20202

2 ## Prerequisites:

Provide a task order to the DLSS and contractors to create:

1. A "Y2K Backup Tape" at the conclusion of each billing cycle during December 1999. These tapes will be used generate duplicate bills for January 2000 and subsequent months.

2. A "Name/Address" tape will be created in late December 1999 to prepare mass mailing letters to borrowers. This tape would be used to produce "information mailings" during the outage.

3. For DCS, none needed. DCS currently prints billing data to a file and then prints the bills. The file is archived and can be used at a later date.

3 **o-Day Strategy:**

Not applicable.

4 Trigger Criteria

DLSS or DCS systems cannot produce bills at their first billing production cycle (January 4, 2000). The contingency plan would be enacted on the second day after the failure occurs (allowing the first day for immediate remediation and the second day for transport of the backup tapes to the print shop). The contingency sequence of events would then be enacted per the same schedule as a normal production cycle without any additional lost time.

System Monitoring:

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure:

For Direct Loan Servicing System:

Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
The contractor's Production Manager will inform the Program Manager.
The Program manager will call the DLSS Division Director at the Department of ED and the Division's Production Lead.

For Debt Collection Service:

The Director of PSS/FFELSD will call the Acting Director of DCS.

Event Monitoring:

For Direct Loan Servicing System:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCU) will review and monitor all activities and report at AM and PM Production meeting and at any significant event during the recovery process. IQCU will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For Debt Collection Service:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide their assessment at the next production meeting.

Failure Tolerance Threshold:

One day.

Implementation Timeframe:

This contingency plan will be implemented immediately after a failure occurs.

Go No-Go Decision Point:

One day after a failure, the business owner will assess progress and remediation efforts to fix the problem and will enact this plan if efforts are not leading to an immediate recovery.

Notification Procedures:

The Department and its contractors will implement several actions:

For Direct Loans Servicing System:

1. The Department's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
2. The Division Director will contact the Education Customer Service team (PIC) and notify them of the failure.
3. The Division Director will notify Department management:
   a) Program Systems Service, Acting Director
   b) Customer Accounts Managers, Direct Loan Liaison Officer
   c) Direct Loan Task Force, Acting Director
   d) Customer Service Branch, Chief
   e) Accounting and Financial Management Service, Director.
4. The Customer Service VRU at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
5. The Division Production Lead will notify all "trading partners" of the situation and coordinate processing activities during the outage.

For Debt Collection Service:

1. The Director, PSS/FFELSD will notify the Director, DCS, of the occurrence of a Y2K problem.
2. The Service Director will notify his or her Division Directors and Regional Directors.
3. The COTR, Region IV, for collection agency contracts will contact the private collection agencies.
4. The COTR, Region V, for the Public Inquiry Contractor (PIC) will notify that contractor.
5. The Interactive Voice Response Unit at the Public Inquiry Contractor will be programmed to announce the problem and provide further information.
6. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

Business Resumption Team

1   DLSS Business Resumption Team

Division Director 　　　US Dept Education 　　　7th & D Streets SW 　　　ROB-3, Room 4025 　　　Washington DC 20202	
Production Lead 　　　US Dept Education 　　　7th & D Streets SW 　　　ROB-3, Room 4025 　　　Washington DC 20202	
Development 　　　US Dept Education	

7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	

COTR
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Development
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Director, Program Systems Service
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

DCS Business Resumption Team

Director
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director, Washington Service Center
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    Region IV Service Center
    US Dept Education
    Atlanta, GA	

Director
    Region V Service Center
    US Dept Education
    Chicago, IL	

Director
    Region IX Service Center
    US Dept Education
    San Francisco, CA	

Director, PSS/FFELSD
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4517
    Washington DC 20202	

Department Notifications

Direct Loan Liaison Officer Client Account Managers US Dept Education 7th & D Streets SW ROB-3, Room 3060 Washington DC 20202	

Director
  Direct Loan Task Force
  US Dept Education
  7th & D Streets SW
  ROB-3, Room 5034
  Washington DC 20202	

Chief
  Customer Service Branch
  US Dept Education
  7th & D Streets SW
  ROB-3, Room 4621
  Washington DC 20202	

Chief
  Direct Loan Branch
  Accounting & Financial
    Management Service
  US Dept Education
  7th & D Streets SW
  ROB-3, Room 5125
  Washington DC 20202	

2 Roles and Responsibilities:

Name	Role	Responsibility
For Direct Loan Servicing System		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractor through the COTR.
	Development Team Leader	Review and advise on all system development activities. Act as Business Owner in Division Director's absence.
	Y2K Team Leader	Coordinate Y2K response activities and assure compliance with plans and directions.
	Production Lead	Monitor the Production environment and communicate with other On Site Monitors at all trading partners.
	COTR	Inform contracting office of

		specific directions to the contractor.
For Debt Collection Service		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractors through the COTR.
	Process Owner	Provide direction to the System Contractor through the COTR.
	Y2K Team Leader	Coordinate Y2K activities and assure compliance with plans and directions.
	Production Lead	Monitor the production environment and communicate with on-site monitors.
	COTR	Inform contracting office of specific directions to the contractor.

Business Resumption Priorities

1 # Sequence of Required Activities:

1. Conduct weekly meetings to review planning and preparations during November and December, 1999.
2. Conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.
3. Conduct morning status meetings every day of production for the first two weeks of January 2000.
4. For DLSS, when a Y2K problem is identified:
    - Notify Department senior management of the situation
    - Notify all trading partners
    - Notify "print fulfillment" contractors of situation and place them on alert to schedule production using Y2K back-up tapes
    - Notify IQCU to commence Y2K contingency First Live Batch
    - Print first billing cycle bills and mail (includes FLB inspection).
5. FFEL/PSS will notify the contractor to print bills.
6. When notified that the Y2K failure is repaired, resume regular billing process and notify internal and external parties.

2 # High Level Schedule:

ID	Task Name	November 1999	December 1999	January 1999
1	Weekly planning and preparation meetings	▬▬▬▬▬		
2	Daily planning meetings		▬▬▬	
3	Daily production status meetings			▬▬▬
4	Implement contingency plan			▬▬▬▬

1 Test Objectives:

Insure the fulfillment center can process from an "old" tape. FLB results for accuracy.

For DCS, no test is needed because the contractor has tested this previously during the Student Loan Processing Center "Hot Site" operation.

2 Test Approach:

Send tapes of billing cycle and execute print programs.

3 Required Resources:

For Direct Loan Servicing System

Tape. Reallocation of Department and contractor staff resources to execute and verify test. Travel to and lodging at the fulfillment center for IQCU and Department. Computer/printing time to execute test. Paper for approximately 450,000 bills, as required to run to "end of job". For Debt Collection Service
Tape. Paper for bills as required to run job.

4 Personnel:

See Business Resumption Team list.

5 Schedules and Locations:

Not scheduled at this time. Anticipate a May to October 1999 time frame.

6 Test Procedures:

- Create tapes
- Transport tapes to fulfillment center
- Transport staff to fulfillment center
- Mount tapes
- Run program to read tapes and print bills
- Perform First Live Batch review of output to verify success
- Present findings to Department management
- For DCS, no test is needed because it has been done in the past
- Contractor will print bills from archived files
- PSS/FFEL and DCS will inspect prior to mailing

7 Expected Results and Exit Criteria:

Successful completion of print jobs and accurate results of bills printed.

PRELIMINARY-DRAFT

ED will enter lockbox data after systems are restored (V.b.1)

Failure Title: Direct Loan Servicing System (DLSS) or Debt Collection Service (DCS) cannot process payments
Contingency Title: ED will enter lockbox data after systems are restored

Contingency Description: Accumulate payment data from lockbox and enter that data after systems are restored.

1 <u>Business Owner</u>:

<u>DLSS</u>	<u>DCS</u>
Division Director	Director
Direct Loan Servicing System	Debt Collection Service
US Department of Education	US Department of Education
7th and D Streets, SW	7th and D Streets, SW
ROB-3, Room 4025	ROB-3, Room 5114
Washington DC 20202	Washington DC 20202

2 <u>Prerequisites:</u>

Provide a task order to the DLSS and Lockbox contractors to create:

4.   Daily "Payment" data files for processing after system remediation and restart.

5.   Store daily "Payment" data files in secure location until processed.

6. For DCS, Contractor will receive payment and manually log them. Payments will be delivered to the Federal Reserve Bank daily.

7. Once the system is available, the backlog will be worked and payments will be posted to the system.

3 ro-Day Strategy:

Not applicable.

4 Trigger Criteria:

DLSS system cannot process daily payment inputs from lockbox. For DCS, the failure would be declared when payments received could not be processed. The contingency plan would be enacted on the first day after the DLSS or DMCS system failure occurs (allowing the first day for immediate remediation efforts). The contingency sequence of events would be enacted that same day without any additional lost time.

System Monitoring:

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure:

For Direct Loan Servicing System:

Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
The contractor's Production Manager will inform the Program Manager.
The Program manager will call the DLSS Division Director at the Department of ED and the Division's Production Lead.

For Debt Collection Service:

The Director of PSS/FFELSD will call the Acting Director of DCS.

Event Monitoring:

For Direct Loan Servicing System:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCU) will review and monitor all activities and report at AM and PM Production meeting and at any significant event during the recovery process. IQCU will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For Debt Collection Service:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide their assessment at the next production meeting.

Failure Tolerance Threshold:

This plan would be activated on the same day the Y2K failure was identified.

Implementation Timeframe:

This contingency plan will be implemented immediately when the Y2K failure is observed.

Go No-Go Decision Point:

One day after a noted Y2K failure, the business owner will assess progress and remediation efforts to fix the problem and will enact this plan if efforts are not leading to an immediate recovery.

Notification Procedures:

The Department and its contractors will implement several actions:

For Direct Loans Servicing System:

6. The Department's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
7. The Division Director will contact the Education Customer Service team (PIC) and notify them of the failure.
8. The Division Director will notify Department management:
    f) Program Systems Service, Director
    g) Customer Accounts Managers, Direct Loan Liaison Officer
    h) Acting Direct Loan Task Force, Director
    i) Client Service Branch, Chief
    j) Accounting and Financial Management Service, Director
9. The Customer Service VRU at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
10. The Division Production Lead will notify all "trading partners" of the situation and coordinate processing activities during the outage.

For Debt Collection Service:

7. The Director, PSS/FFEL will notify the Director, DCS, of the occurrence of a Y2K problem.
8. The Service Director will notify his or her Division Directors and Regional Directors.
9. The COTR, Region IV, for collection agency contracts will contact the private collection agencies.
10. The COTR, Region V, for the Public Inquiry Contractor (PIC) will notify that contractor.
11. The Interactive Voice Response Unit will be programmed to announce the problem and provide further information.
12. DCS management will notify additional program trading partners, including Treasury, guarantor agencies, and others.

Business Resumption Team

1 DLSS Business Resumption Team

Division Director
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Production Lead
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Development
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

COTR
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Development
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

Director, Program Systems Service
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025	

Washington DC 20202	

DCS Business Resumption Team

Director, Debt Collection Service
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director, Washington Service Center
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    Region IV Service Center
    US Dept Education
    Atlanta, GA	

Director
    Region V Service Center
    US Dept Education
    Chicago, IL	

Director
    Region IX Service Center
    US Dept Education
    San Francisco, CA	

Director
    PSS/FFELSD
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4517
    Washington DC 20202	

2   <u>Roles and Responsibilities:</u>

Name	Role	Responsibility
For Direct Loan Servicing System		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractor through the COTR.
	Development Team Leader	Review and advise on all system development activities. Act as Business Owner in Division Director's absence.
	Y2K Team Leader	Coordinate Y2K response activities and assure compliance with plans and directions.
	Production Lead	Monitor the Production environment and communicate with other On Site Monitors at all trading partners.
	COTR	Inform contracting office of specific directions to the contractor.
For Debt Collection Service		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractors through the COTR.
	Process Owner	Provide direction to the System Contractor through the COTR.
	Y2K Team Leader	Coordinate Y2K activities and assure compliance with plans and directions.
	Production Lead	Monitor the production environment and communicate with on-site monitors.
	COTR	Inform contracting office of specific directions to the contractor.

Business Resumption Priorities

1 ## Sequence of Required Activities:

5. Conduct weekly meetings to review planning and preparations during November and December, 1999.
6. Conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.
7. Conduct morning status meetings every day of production for the first two weeks of January 2000.
8. For DLSS, when a Y2K problem is identified:
   - Notify Department senior management of the situation
   - Notify lockbox of Y2K problem and initiate their transmission backup plan
   - Notify all trading partners
   - Notify IQCU to commence Y2K contingency First Live Batch
   - On remediation of DLSS or DCS system, process payments as of the date received at lockbox.
5. When notified that the Y2K failure is repaired, enter accumulated data into the system and notify internal and external parties.

2 ## High Level Schedule:

ID	Task Name	November 1999	December 1999	January 1999
1	Weekly planning and preparation meetings	██████████		
2	Daily planning meetings		██████	
3	Daily production status meetings			████
4	Implement contingency plan			████████

1 <u>Test Objectives</u>:

For DLSS, ensure the lockbox can produce payment backup files. FLB results for accuracy. Use this "payment backup file" as actual production input.

For DCS, ensure that the log is accurate and kept up-to-date and use this log as a record for actual production input.

2 <u>Test Approach</u>:

Send backup payment posting data and execute payment application programs.

3 <u>Required Resources:</u>

Backup file. Computer/printing time to execute test. Reallocation of Department and contractor staff resources to execute and verify test.

4 <u>Personnel:</u>

See Business Resumption Team list.

5 <u>Schedules and Locations:</u>

Not scheduled at this time. Anticipate May to October 1999 time frame.

6 <u>Test Procedures:</u>

For DLSS:
- Simulate call to notify lockbox to execute Y2K contingency plan
- Create tapes at lockbox
- Transport tapes to processing center
- Mount tapes
- Run program to read tapes and apply payments
- Perform First Live Batch review of output to verify success
- Present findings to Department management

For DCS:
- Tested during Y 2K migration which was completed the week of March 1st, 1999.

7 <u>Expected Results and Exit Criteria</u>:

Successful completion of payment application jobs and accurate results of those payments.

PRELIMINARY-DRAFT

ED will manually log new data and enter that data when the systems are restored.
(V.c.1)

Failure Title: Direct Loan Servicing System (DLSS) or Debt Collection Service (DCS) cannot maintain accounts
Contingency Title: ED will manually log new data and enter that data when the systems are restored

Contingency Description: Manually log incoming calls from borrowers by account number (SSN), then enter data and return calls after system is restored.

1 Business Owner:

DLSS	DCS
Division Director	Director
Direct Loan Servicing System	Debt Collection Service
US Department of Education	US Department of Education
7th and D Streets, SW	7th and D Streets, SW
ROB-3, Room 4025	ROB-3, Room 5114
Washington DC 20202	Washington DC 20202

2 Prerequisites:

Provide a task order to the contractors to:

8. Create "Daily Call Logs" to track borrower calls and the information necessary to return the call.

9. Develop "logging" processes to track incoming correspondence for processing after system remediation.

10. Store daily logs in secure location until processed.

11. Process Daily Call Logs when system returns to production.

3 o-Day Strategy:

Not applicable.

4 Trigger Criteria

DLSS or DMCS systems can not maintain accounts. The contingency plan would be enacted on the day the DLSS or DMCS system failure without any additional lost time.

System Monitoring:

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output. Any Y2K failure would be identified at the first point of failure, within seconds or minutes of its occurrence.

Response Procedure:

For Direct Loan Servicing System:

Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
The contractor's Production Manager will inform the Program Manager.
The Program manager will call the DLSS Division Director at the Department of ED and the Division's Production Lead.
For Debt Collection Service:
The Director of PSS/FFELSD will call the Acting Director of DCS.

Event Monitoring:

For Direct Loan Servicing System:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCU) will review and monitor all activities and report at AM and PM Production meeting and at any significant event during the recovery process. IQCU will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For Debt Collection Service:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide their assessment at the next production meeting.

Failure Tolerance Threshold:

This plan would be activated on the same day the Y2K failure was identified.

Implementation Timeframe:

This contingency plan will be implemented immediately when the Y2K failure is observed.

Go No-Go Decision Point:

On the day of a Y2K failure, the business owner will enact this contingency plan until the systems are restored.

Notification Procedures:

The Department and its contractors will implement several actions:

For Direct Loans Servicing System:

11. The Department's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
12. The Division Director will contact the Education Customer Service team (PIC) and notify them of the failure.
13. The Division Director will notify Department management:
    k) Program Systems Service, Director
    l) Client Accounts Managers, Direct Loan Liaison Officer

m) Direct Loan Task Force, Acting Director
n) Customer Service Branch, Chief
o) Accounting and Financial Management Service, Director

14. The Customer Service VRU at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
15. The Division Production Lead will notify all "trading partners" of the situation and coordinate processing activities during the outage.

For Debt Collection Service:

13. The Director, PSS/FFELSD will notify the Director, DCS of the occurrence of a Y2K problem.
14. The Service Director will notify his or her Division Directors and Regional Directors.
15. The COTR, Region IV, for collection agency contracts will contact the private collection agencies.
16. The COTR, Region V, for the Public Inquiry Contractor (PIC) will notify that contractor.
17. The Interactive Voice Response Unit will be programmed to announce the problem and provide further information.
18. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

Business Resumption Team

1 DLSS Business Resumption Team

Division Director 　　US Dept Education 　　7th & D Streets SW 　　ROB-3, Room 4025 　　Washington DC 20202	
Production Lead 　　US Dept Education 　　7th & D Streets SW 　　ROB-3, Room 4025 　　Washington DC 20202	
Development Lead 　　US Dept Education 　　7th & D Streets SW 　　ROB-3, Room 4025 　　Washington DC 20202	
COTR 　　US Dept Education 　　7th & D Streets SW 　　ROB-3, Room 4025 　　Washington DC 20202	
Development 　　US Dept Education 　　7th & D Streets SW 　　ROB-3, Room 4025	

Washington DC 20202	

On Site Monitor
    US Dept Education
    501 Bleecker Street
    AFSA Service Center
    Utica, NY 13501	

Director Program Systems Service
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4025
    Washington DC 20202	

DCS Business Resumption Team

Director
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    Region IV Service Center
    US Dept Education
    Atlanta, GA	

Director
    Region V Service Center
    US Dept Education
    Chicago, IL	

Director
    Region IX Service Center
    US Dept Education
    San Francisco, CA	

Director
    PSS/FFELSD
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4517
    Washington DC 20202	

2   Roles and Responsibilities:

Name	Role	Responsibility
For Direct Loan Servicing System		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractor through the

		COTR.
	Development Team Leader	Review and advise on all system development activities. Act as Business Owner in Division Director's absence
	Y2K Team Leader	Coordinate Y2K response activities and assure compliance with plans and directions.
	Production Lead	Monitor the Production environment and communicate with other On Site Monitors at all trading partners.
	COTR	Inform contracting office of specific directions to the contractor
For Debt Collection Service		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractors through the COTR.
	Process Owner	Provide direction to the System Contractor through the COTR.
	Y2K Team Leader	Coordinate Y2K activities and assure compliance with plans and directions.
	Production Lead	Monitor the production environment and communicate with on-site monitors.
	COTR	Inform contracting office of specific directions to the contractor.

1 | Sequence of Required Activities:

9. Conduct weekly meetings to review planning and preparations during November and December, 1999.
10. Conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.
11. Conduct morning status meetings every day of production for the first two weeks of January 2000.
12. When a Y2K problem is identified:
    - Notify Department senior management of the situation
    - Notify Service Center of disruption
    - Implement plan (call logs already distributed, etc.)
    - Notify all trading partners
    - For DLSS, notify Independent Quality Control Unit (IQCU) to commence Y2K contingency First Live Batch. For DCS, notify contractor.
    - On remediation of DLSS or DCS system, process payments as of the date received.

2 | High Level Schedule:

ID	Task Name	November 1999	December 1999	January 1999
1	Weekly planning and preparation meetings	████████		
2	Daily planning meetings		████	
3	Daily production status meetings			████
4	Implement contingency plan			█████

1 | Test Objectives:

For DLSS, insure the Service Center can log borrower calls and process logs and subsequent issues on resumption of processing. For DCS, insure that Public Inquiry Contractor can log borrower calls and process logs.

2 Test Approach:

For DLSS, the use of borrower call logs is a current production activity and has been successfully tested. For DCS, IVRU has already been tested and is Y2K compliant.

3 Required Resources:

Call Logs

4 Personnel:

See Business Resumption Team list.

5 Schedules and Locations:

Already tested.

6 Test Procedures:

This procedure has been used in real temporary outages. No further testing required.

7 Expected Results and Exit Criteria:

Successful capture of borrower calls and accurate updating of the system.

PRELIMINARY-DRAFT

ED will accumulate data from school disbursement records and then enter that data after systems are restored
(V.d.1)

Failure Title: Direct Loan Servicing System (DLSS) cannot book new loans or Debt Collection Service cannot accept new accounts. Contingency Title: ED will accumulate data from school disbursement records and then enter that data after the systems are restored

Contingency Description:
Direct Loan will maintain booking data at appropriate point until data can be processed.

1 <u>Business Owners</u>:

<u>DLSS</u>	<u>DCS</u>
Division Director	Director
Direct Loan Servicing System	Debt Collection Service
US Department of Education	US Department of Education
7th and D Streets, SW	7th and D Streets, SW
ROB-3, Room 4025	ROB-3, Room 5114
Washington DC 20202	Washington DC 20202

2 <u>Prerequisites:</u>

For DLSS, require contractors to maintain necessary booking data files until DLSS can receive and process. For DCS, require partners to hold loans until DCS can receive and process.

3 Zero-Day Strategy:

Not applicable.

4 Trigger Criteria:

DLSS systems can not process daily booking inputs. The contingency plan would be enacted on the first day after the DLSS system failure occurs (allowing the first day for immediate remediation efforts). The contingency sequence of events would be enacted that same day without any additional lost time. For DCS, no contingency plan is necessary as loans would not be accepted into DCS, but would continue to be serviced by the loan handler.

System Monitoring:

Computer operations staff monitors daily production processes and Quality Control conducts random sampling on all output.

Response Procedure:

For Direct Loan Servicing System:

Computer operations staff or Quality Control personnel will inform the contractor's Production Manager.
The contractor's Production Manager will inform the Program Manager.
The Program manager will call the DLSS Division Director at the Department of ED and the Division's Production Lead.

For Debt Collection Service:

FFELSD/PSS will alert officials in DCS.

Event Monitoring:

For Direct Loan Servicing System:

Both the Quality Control staff of the contractor and the Independent Quality Control Unit (IQCU) will review and monitor all activities and report at AM and PM Production meeting and at any significant event during the recovery process. IQCU will perform "first live batch" reviews of all output and processes and provide an independent assessment of these activities.

For Debt Collection Service:

FFEL and DCS staff will review and monitor all activities and report at the morning and afternoon production meetings. FFEL and its system contractor will perform First Live Batch reviews of all output processes, and provide their assessment at the next production meeting.

Failure Tolerance Threshold:

This plan would be activated on the same day the Y2K failure was identified.

Implementation Timeframe:

This contingency plan will be implemented immediately when the Y2K failure is observed.

Go No-Go Decision Point:

One day after a noted Y2K failure, the business owner will assess progress and remediation efforts to fix the problem and will enact this plan if efforts are not leading to an immediate recovery.

Notification Procedures:

The Department and its contractors will implement several actions:

For Direct Loans Servicing System:

16. The Department's Production Lead will notify the Division Director of the occurrence of a Y2K problem.
17. The Division Director will contact the Education Customer Service team (PIC) and notify them of the failure.
18. The Division Director will notify Department management:
    p) Program Systems Service, Director
    q) Client Accounts Managers, Direct Loan Liaison Officer
    r) Direct Loan Task Force, Acting Director
    s) Customer Service Branch, Chief
    t) Accounting and Financial Management Service, Director

19. The Customer Service VRU at the Loan Servicing Center will be programmed to announce the problem and provide pertinent, updated information on remediation activities.
20. The Division Production Lead will notify all "trading partners" of the situation and coordinate processing activities during the outage.

For Debt Collection Service:

19. The Director, PSS/FFELSD will notify the Director, DCS of the occurrence of a Y2K problem.
20. The Service Director will notify his or her Division Directors and Regional Directors.
21. The COTR, Region IV, for collection agency contracts will contact the private collection agencies.
22. The COTR, Region V, for the Public Inquiry Contractor (PIC) will notify that contractor.
23. The Interactive Voice Response Unit will be programmed to announce the problem and provide further information.
24. DCS management will notify additional program trading partners, including Treasury, guaranty agencies, and others.

Business Resumption Team

1 DLSS Business Resumption Team

Division Director US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	
Production Lead US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	
Development Lead US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	
COTR US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	
Development US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	
Director Program Systems Service	

US Dept Education 7th & D Streets SW ROB-3, Room 4025 Washington DC 20202	

<u>DCS Business Resumption Team</u>

Director (Acting)
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    US Dept Education
    7th & D Streets SW
    ROB-3, Room xxxx
    Washington DC 20202	

Director
    Region IV Service Center
    US Dept Education
    Atlanta, GA	

Director
    Region V Service Center
    US Dept Education
    Chicago, IL	

Director
    Region IX Service Center
    US Dept Education
    San Francisco, CA	

Director (Acting)
    PSS/FFELSD
    US Dept Education
    7th & D Streets SW
    ROB-3, Room 4517
    Washington DC 20202	

2 <u>Roles and Responsibilities:</u>

Name	Role	Responsibility
For Direct Loan Servicing System		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractor through the COTR.
	Development Team Leader	Review and advise on all system development activities. Act as Business Owner in Dan Hayward's absence.
	Y2K Team Leader	Coordinate Y2K response activities and assure compliance with plans and directions.
	Production Lead	Monitor the Production environment and communicate with other On Site Monitors at all trading partners.
	COTR	Inform contracting office of specific directions to the contractor.
For Debt Collection Service		
	Business Owner	Manage overall activities of the Department staff and communicate to upper management. Provide direction to the contractors through the COTR.
	Process Owner	Provide direction to the System Contractor through the COTR.
	Y2K Team Leader	Coordinate Y2K activities and assure compliance with plans and directions.
	Production Lead	Monitor the production environment and communicate with on-site monitors.
	COTR	Inform contracting office of specific directions to the contractor.

1   <u>Sequence of Required Activities</u>:

13. Conduct weekly meetings to review planning and preparations during November and December, 1999.
14. Conduct daily meetings to review planning and preparations during the two weeks prior to December 31, 1999.
15. Conduct morning status meetings every day of production for the first two weeks of January 2000.
16. When a Y2K problem is identified:
    - Notify Department senior management of the situation.
    - Notify all trading partners.
    - For DLSS, notify IQCU to commence Y2K contingency First Live Batch.
    - On remediation of DLSS, process booking data on resumption of processing.
5. When notified that the Y2K failure is repaired, resume normal processing of data.

2   <u>High Level Schedule</u>:

ID	Task Name	November 1999	December 1999	January 1999
1	Weekly planning and preparation meetings	███████		
2	Daily planning meetings		██████	
3	Daily production status meetings			████
4	Implement contingency plan			████████

1   <u>Test Objectives</u>:

For DLSS, insure that trading partners can hold production files for later processing. FLB results for accuracy. For DCS, insure trading partners can hold debts for later loading to the Debt Management and Collection System (DMCS).

2   <u>Test Approach</u>:

For DLSS, this functionality has been used at numerous conversion points during the live of the Direct Loan program. Year-specific software (e.g. YR6 Cutover in March, 1999) required that Loan Origination maintain several days worth of data while DLSS was down during conversion. The same approach will be utilized.

For DCS, no testing is required because these procedures have been performed successfully in the past.

3 ## Required Resources:
Computer/printing time to execute test. Computer storage space. Reallocation of Department and contractor staff resources to execute and verify test.

4 ## Personnel:
See Business Resumption Team list.

5 ## Schedules and Locations:
Testing not necessary at this time. Executed during March, 1999.

6 ## Test Procedures:

 Not necessary.

7 ## Expected Results and Exit Criteria:
Successful completion of booking jobs and accurate results of those transactions.

PRELIMINARY-DRAFT

IPOS will process school applications manually (VI.a.1)

Failure Title: ED cannot process school applications
Contingency Title: Process applications manually

Contingency Description:
ED will process school applications manually when PEPS and CMIS information systems fail.

1 | ## Business Owner:

Director
Institutional Participation and Oversight Service (IPOS)
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 3082
Washington, DC 20202

2 | ## Prerequisites:

1. Director, Performance Improvement and Procedures Division, will amend the IPOS Recertification and Program Support Manual to include any new procedures that may be needed to continue to process school applications in the event of a PEPS or CMIS failure.

2. PEPS system Administrator, will develop a database to capture information that would otherwise be entered into PEPS.

3. Director, IPOS Administrative Unit, will identify reliable sources for obtaining Oracle software and purchase one copy of the software before June 30, 1999.

4. Director, IPOS Administrative Unit, will identify 20 laptop computers that are capable (or that can be upgraded) to run a read-only version of PEPS on the Oracle software before

   June 30, 1999.

5. Director, IPOS Administrative Unit, will upgrade an existing laptop (or if necessary, purchase one, about $5000) in June 1999 and load the Oracle software.

6. On December 28, 1999, PEPS System Administrator will load PEPS data onto one appropriately equipped laptop computer.

7. Case management co-team leaders will print all electronic recertification applications in PEPS that have not been completed by December 30, 1999.

8. If PEPS fails after January 1, 2000, and ED implements this contingency, IPOS would need to upgrade or purchase 20 laptop computers and 20 copies of the Oracle software. A new appropriately equipped laptop loaded with Oracle software is estimated to cost $7000. A more accurate cost assessment will be made in June, 1999, after IPOS inventories and evaluates its existing laptop computers.

3 **o-Day Strategy:**

Not applicable.

4 **gger Criteria:**

IPOS cannot use or rely on the information in PEPS and CMIS due to system failures.

System Monitoring:

The area case teams use PEPS and CMIS daily and would be the first ED personnel to become aware of any problems.

Response Procedure:

1. For a CMIS problem or failure, the case team will notify Chairperson of the CMIS Steering Committee, or the system Database Administrator who will evaluate the nature of the failure and oversee the repairs.

2. For a PEPS problem or failure, the case teams will notify

   the Director of the PEPS Division or the PEPS System Administrator.   One of them will notify the appropriate contractor, CBMI, CSC, or Technical Support Unit at HP, depending on the system failure.

Event Monitoring:

1.   For a PEPS failure, the Director of the PEPS Division and the PEPS System and Administrator are responsible for coordinating the repair activities of the contractors. The contractor contact person (see above) will provide daily reports to the Director of the PEPS Division, who will inform the Business Owner.

2. For a CMIS failure, CMIS System Administrator is responsible for continuously monitoring the efforts of the OCIO to repair the EDNet server necessary to operate CMIS and reporting the status of those repairs to the Business Owner.

Failure Tolerance Threshold:

30 Days.

Implementation Timeframe:

It will take 9 days to purchase, prepare, and provide laptops to case teams to fully implement this contingency plan.

Go No-Go Decision Point:

A decision to purchase the laptops will be made by the close of business on the 21st day following a PEPS failure. A decision to direct the case teams to begin processing applications manually will be

made by the close of business on the 5th day following a PEPS or CMIS failure.

Notification Procedures:

If a failure occurs, ED will perform the following activities to notify schools and other parties of the failure:

1. Management Analyst IPOS will notify ED Customer Service that the contingency plan has been implemented.

2. Management Analyst IPOS will provide Customer Service with written correspondence, procedures, or other materials regarding the actions that ED, schools, and other parties need to take in response to the system failure.

3. Customer Service will disseminate the information to affected parties.

Business Resumption Team

1 ## Business Resumption Team

 This is a list of the Business Resumption Team members and their respective contact information:

Director, Institutional Participation and Oversight Service (IPOS)

U.S. Department of Education

7th and D Streets, SW

ROB-3, Room 3082

Washington, DC 20202

Management Analyst

U.S. Department of Education

7th and D Streets, SW

ROB-3, Room 3682

Washington, DC 20202

Director, Performance Improvement and Procedures Division
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 3682
Washington, DC 20202

Division Director, Northwest Case Management Division
U.S. Department of Education
7th and D Streets, SW
ROB-3, Room 3917
Washington, DC 20202

Division Director, Northeast Case Management Division
U.S. Department of Education
7th and D Streets, SW
Washington DC 20202
ROB 3, Room 3917

Division Director, Southeast Case Management Division
U.S. Department of Education
7th and D Streets, SW
Washington DC 20202
ROB 3, Room 3917

Division Director, Southwest Case Management Division
U.S. Department of Education
7th and D Streets, SW
Washington DC 20202
ROB 3, Room 3917

Chief, Initial Participation Branch

U.S. Department of Education

7th and D Streets, SW

Washington DC 20202

ROB 3, Room 3308

All Area Case Directors and co-team leaders (see IPOS directory listings).

Director, PEPS Division
U.S. Department of Edcuation
7th and D Streets, SW
Washington, DC 20202
ROB-3, Room 4629

System Administrator, PEPS Division
U.S. Department of Edcuation
7th and D Streets, SW
Washington, DC 20202
ROB-3, Room 4629

Management and Program Analyst, IPOS
U.S. Department of Education
7th and D Streets, SW
Washington, DC 20202
ROB-3, Room 3522

Director, IPOS Administrative Unit
U.S. Department of Education
7th and D Streets, SW
Washington, DC 20202
ROB-3, Room 3082

2 | Roles and Responsibilities:

Director, Institutional Participation and Oversight Service (IPOS), Business Owner

Department of Education

Manages overall activities associated with implementing the manual application processing contingency plan and has the authority to commit ED resources. The Director IPOS is also responsible for (a) determining that a PEPS or CMIS system failure has occurred, (b) authorizing ED personnel to carry out the plan, and (c)   authorizing system repairs.

Director, PEPS Division, Department of Education, manages overall activities associated with PEPS system repairs and notifying all users of the status of those repairs.

PEPS System Administrator, Department of Education, monitors PEPS systems repairs. The PEPS System Administrator is also responsible for (a) notifying CSC of system failures, (b) monitoring the progress of PEPS system repairs, and (c) advising Director PEPS Division of the progress of those repairs.

CMIS System Administrator, Department of Education, monitors CMIS repairs (including repairs of the EDNet server) and updates the CMIS with data collected during the contingency period.

Division Directors, Area Case Directors, and co-team leaders are responsible for (a) identifying that a failure has occurred, (b) notifying the system administrators of the failure, and (c) authorizing case teams and other staff to perform manual processing of school applications.

Management Analyst IPOS is responsible for (a) notifying ED Customer Service that the contingency plan has been implemented, and (b) providing materials to ED Customer Service regarding the actions that ED, schools, and other parties need to take under the plan.

Director, IPOS Administrative Unit, is responsible for purchasing the software and laptop computers necessary to implement the plan and for loading the software onto the computers and distributing them to the case teams.

Business Resumption Priorities

1 ## Sequence of Required Activities:

1. The Division and Area Case Directors will alert all business resumption team members to begin using the procedures in the Recertification and the Program Support Assistant manuals to process school applications.

2. Director IPOS Administrative Unit will purchase 20 copies of the Oracle software and, if IPOS does not have properly configured laptops, purchase 20 laptop computers.

3. Director IPOS Administrative Unit will load the Oracle software and the PEPS data that was loaded onto the laptop computer on December 28, 1999, onto these laptops.

4. Director IPOS Administrative Unit is responsible for ensuring that all area case teams and other critical ED personnel receive a laptop.

5. As long as a school submits a materially complete application on before the date the application is due, if a case team does not complete processing that application before the school's participation in the title IV program is scheduled to expire, the case team will continue the school's participation on a month-to-month basis.

6. The Business Owner will notify the case teams when normal processing of applications may resume.

7. The case teams will transfer to PEPS information from the database developed under step 2 of the prerequisites.

8. CMIS System Administrator will update CMIS with data acquired during the contingency period.

2 High Level Schedule:

ID	Task Name	January	February	March
1	Case directors authorize teams to process manually by January 9, 2000.	▓▓▓		
2	Purchase software and laptops on January 24, 2000.	▓▓▓ PEPS system Administrator		
3	Load software and PEPS data onto laptops by January 28, 2000.	▓▓▓ Director, IPOS Administrative Unit		
4	Provide loaded laptops to case teams by January 31, 2000.	▓▓▓ Director, IPOS Administrative Unit		
5	Case teams continue participation of schools, as needed, and notify affected schools.	▓▓▓▓▓▓		

Testing Plan

Not applicable (area case teams and other IPOS staff are experienced and trained in processing school applications manually).

PRELIMINARY-DRAFT

ED may not assess liabilities
on lenders
(VIII.e.2.)

Contingency Description: ED may choose not to impose a liability on a lender for a failure on the lender's part to carry out a required loan

Federal Family Education Loan Programs (FFELP) servicing functions are performed by each participating lender. ED's system does not perform any of these servicing functions or exchange data with lender servicing systems unless a loan is transferred to ED's Debt Collection Service (DCS). ED's role in a Y2K failure is, therefore, limited to assisting lenders with their failures. This contingency plan provides an option for ED to assist a lender that has a Y2K failure.

1 <u>Business Owner</u>:

Director, Guarantor and Lender Oversight Service (GLOS)
7th and D Streets SW
ROB-3, Room 4616
Washington, DC 20202

2 <u>Prerequisites:</u>

Not applicable.

3 <u>o-Day Strategy:</u>

Not applicable.

4 <u>Trigger Criteria:</u>

Generally, the triggers for implementation of this contingency are external to ED and rely entirely on the reports of lenders, borrowers, and guaranty agencies.

System Monitoring:

None

Response Procedure:

A lender requests relief under this plan by notifying the Director, Guarantor and Lender Oversight Service (GLOS).
The Director, Guarantor and Lender Oversight Service (GLOS) will notify the business resumption team members, OGC, and senior management.

Event Monitoring:

None

Failure Tolerance Threshold:

N/A

Implementation Timeframe:

N/A

Go No-Go Decision Point:

N/A

Notification Procedures:

ED will notify appropriate guaranty agency. ED will notify the lender of the decision.

Business Resumption Team

---

1 ## Business Resumption Team

Director, Guarantor and Lender Oversight Service (GLOS)
7th and D Streets SW

ROB-3, Room 4616
Washington, DC 20202

Director, Financial Analysis and Oversight Division, GLOS
7th and D Streets SW
ROB-3, Room 4616
Washington, DC 20202

Management Analyst, GLOS
7th and D Streets SW
ROB-3, Room 4616
Washington, DC 20202

GLOS Eastern Region Director
75 Park Place, Room 1206
New York, NY 10007

GLOS Northern Region Director
111 North Canal Street, Suite 830
Chicago, IL 60606-7204

GLOS Western Region Director
50 United Nations Plaza, Room 524
San Francisco, CA 94102-4887

GLOS Southern Director
1999 Bryan Street, Suite 2720
Dallas, TX 75201-6817

2 Roles and Responsibilities:

Director, Guarantor and Lender Oversight Service (GLOS), Business Owner.
U.S. Department of Education manages the overall activities associated with implementing the contingency plan also has the following responsibilities: assessment and decision not to impose a liability on a lender, as well as comunication with the other ED officials and the lender.

Director Financial Analysis and Oversight Division, GLOS,
will assist the Business Owner and help gather needed data.

Management Analyst, GLOS, U.S. Department of Education,
will assist the business owner and help gather needed data.

GLOS Regional Directors.
U.S. Department of Education
ED Regional staff will assist the business owner and help gather needed data.

Business Resumption Priorities

1 Sequence of Required Activities:

This is a sequential list of the critical activities performed by the business resumption team to implement the contingency plan.

1. Receive the notification of the failure and request from the lender not to impose liabilities.

2. Gather data needed for the assessment.
3. Make assessment of what actions will be required of the lender and what action ED will take.
4. Notify lender, guaranty agencies, and internal ED staff of actions.

2 High Level Schedule:

ID	Task Name	Week 1			Determination is made
1	Receive notification	██████████ LO			
2	Gather data	████████████████████████████		Team	
3	Make assessment	████████████████████████████		LO	
4	Lender,GA, and ED notification			██████████ LO	

Testing Plan

Not applicable.